

Tax Instant News

Real Estate Tax Caribbean Netherlands (Bonaire, St. Eustatius and Saba) – Valuations as per January 1, 2021



In July 2021 the Tax Authorities in Caribbean Netherlands (“**BES**”) have started to send out the revaluations of real estate in the BES, providing the value of the property for Real Estate Tax purposes with reference date January 1, 2021 for the next 5 years. If you do not agree with the valuation, you need to file an objection letter within two months. After the objection period of 2 months, there is no possibility to object against the valuation anymore.

Bonaire, August 2021

Tax Instant News

Real Estate Tax

In the BES, Real Estate Tax is levied on the benefits of owning real estate property in the BES. Not the actual income from the property is taxed, but a deemed interest on the value of the property of 4% is calculated as the taxable benefits of the real estate.

The taxable benefits are taxed against a rate of 17.5% (for hotels the rate is 10%), which means the effective tax on the property is 0.7% of the value (or 0.4% of the value in case of a hotel). Main residences and real estate part of the business of an individual person (sole trader business) are (amongst others) exempt from Real Estate Tax.

Valuation

Real estate on the BES is valued at the start of every 5-year period, starting with the year the Real Estate Tax was introduced in 2011. As per January 1, 2021, all real estate will be revalued for the purpose of calculating the Real Estate Tax 2021 up to and including 2025.

The Tax Law BES states that revaluation of the value during the 5-year period is possible in case the real estate object has changed due to (re)building and renovation, demolition or destruction of (part of) the property.

All properties are valued at the market value based on the assumption that they would be free to transfer.

The COVID-19 pandemic has caused a global economic crisis, especially for economies that are largely dependent on the tourism industry. The BES islands were forced to close their borders for many months and tourism is currently slowly recovering. We hope the Tax Authorities take the aforementioned into consideration and that it is reflected in the valuation of the properties which may result in a lower value of many properties, especially commercial properties.

Objection

If you disagree with the valuation of your property, you need to object against the valuation within two months of the date of the valuation letter from the Tax Authorities.

We would advise to obtain an independent valuation of your property before objecting against the valuation of the Tax Authorities to substantiate the objection letter.

Should you require more information, please do not hesitate to contact us.



Further information

We will update this TIN once more information is available. In case you require any assistance, please do not hesitate to contact one of our tax advisors.



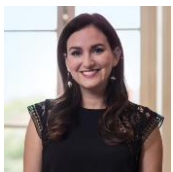
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