



VAT-rates

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When do you charge VAT

If you are a self-employed entrepreneur or freelance, you have to deal with VAT (value added tax). VAT is an indirect tax that is charged for the supply of a product or the performance of a service.

Your activities fall under VAT if you regularly supply goods or perform services on a commercial basis to society at large. This means that doing odd jobs on an incidental basis, doing voluntary work or the performance of services for relatives are exempt from VAT. There are two VAT rates applicable in the Netherlands: 21% and 9% (was 6% up to and including 2018). Some activities are exempt from VAT.

It may be the case that the Tax Office does not (yet) recognise you as a self-employed entrepreneur but that you are nevertheless an entrepreneur for VAT purposes. You are already an entrepreneur for VAT purposes if you run a business or exercise a profession of your own. If you do not have a VAT registration number, you cannot charge VAT.

Which VAT rate?

Activity	Vat rate
Performing arts	
Composing, arranging	exempt from VAT
Copyright (BUMA, STEMRA)	exempt from VAT
Performance with fee statement	exempt from VAT
Performance abroad	0%
Performance as artist (with model agreement)	9%
Performing in private setting, such as weddings	9%
Rehearsal (for concert or performance/show)	9%
Admission to concert	9%
Conducting	9%
Directing	21%
Choreography	21%
CD sales	21%
Merchandise (sale baseball caps, etc.)	21%
Coach	21%
Royalties	21%
Teaching	
At a recognised institute of professional education	exempt from VAT
To pupils up to the age of 21 years	exempt from VAT
To students aged 21 years and older	21%
To students aged 21 years and older, dance classes for competitive dancers, zumba and street dance (considered "active sports" by the Tax Office)	9%
Fine art	
Sale of art	9%



Artistic photographs	9%
Commercial photographs	21%
Film and television	
Cinema tickets	9%
Camera, audio and production work	21%
Architecture	
Design and presentation	21%
Heritage	
Admission to public museums	9%
Admission to exhibitions	21%
Restoration	21%
Presentations, workshops	21%

VAT for teachers

An exemption applies to some forms of teaching:

- If you teach students up to and including 20 years of age, you do not charge VAT for those lessons.
- The following professional education is exempt from VAT:
 - legally recognized professional education
 - non-legally recognized professional education which is funded by the government and listed in the appendix of the Higher Education and Research Act or the Education and Professional Education Act
 - non-legally recognized professional education by institutions and independent teachers who are registered in the Central Register of Professional Education (CRKBO)

If you teach in professional education, the institution can also inform you about the applicable VAT rate. If there is no exemption, the VAT rate of 21% applies and the following recourse applies.

For determining the VAT rate, it is only important what performance or service the contractor (teacher) delivers. It happens that, for example, a VAT-exempt foundation would rather not receive invoices with VAT cause they're not allowed to reclaim the VAT. Yet that is no excuse for not calculating VAT. Only what you deliver determines whether and how much VAT you must charge!

Partial deduction of input tax

Teaching children is exempt from VAT. You are therefore not entitled to deduct input tax. If you teach both children and adults, you may deduct a certain percentage of the VAT paid on expenses.

For example: if your total turnover is € 8,000 and you received € 5,000 for adult education lessons, you may deduct 5/8 of your VAT on expenses. Turnover in this case means: the total of the tuition fees collected by you (without VAT). You should also apply the same calculation if part of your teaching practice is exempt from VAT for other reasons.

Do you teach a group of students over and under 21 years of age and do you send one invoice to for example an amateur association? Then you must split the amount on the invoice and indicate the two different VAT rates. For example: if half of the students are under 21, then you do not have to charge VAT on 50 percent of the agreed amount.

Facility for small-scale entrepreneurs

The facility for small-scale entrepreneurs (*kleine ondernemersregeling, KOR*) is up to and including 2019 a reduction in VAT for entrepreneurs who do not have to pay much VAT. If you are due to pay € 1345 or less VAT per year to the Tax Office, you do not have to pay any VAT at all. If that total is between € 1345 and € 1883, a reduction is applicable.



Example VAT due to a maximum of € 1345	
VAT on all invoices	2000
Pre-tax = VAT on all expenses	1100
Total due before application of facility	900
<i>kleine ondernemersregeling</i>	900
Total due	0

Example VAT due to a maximum of € 1883	
VAT on all invoices	2000
Pre-tax = VAT on all expenses	300
Total due before application of facility	1700
<i>kleine ondernemersregeling</i> $2,5 \times (1883 - 1700)$	458
Total due	$1700 - 458 = 1242$

Changes from 2020 on

From 2020, the KOR is no longer a discount scheme that can be applied afterwards, but an exemption that you can request in advance. If you are established in the Netherlands and your turnover does not exceed € 20,000 per year, you are eligible. You do not have to add the turnover that is exempt from VAT (not to be confused with the 0% rate).

When you apply the KOR, you no longer charge VAT. This means that you no longer mention this on your invoice, that you no longer pay it to the Tax Authorities and that you can therefore no longer reclaim the input tax. You also receive a waiver of your administrative obligations for the VAT, so you no longer submit VAT returns. You apply for the exemption for three years. If your turnover (about which you are liable for VAT) exceeds € 20,000 a year, the exemption will lapse and you will no longer be able to use the KOR.

Whether the KOR is a wise choice for you depends on the financial consequences, who your customers/clients are and how you manage your administration:

- **Financial consequences:** When you apply the KOR, you no longer charge VAT. You also no longer deduct VAT on business costs and investments. Whether this is financially beneficial depends on your situation. Do you have to pay VAT annually? Then participation in the KOR might be interesting for you. Do you get VAT back annually or do you want to make big investments soon? This may be a consideration not to apply for the new KOR (yet).
- **Who are your customers:** If your customers can deduct the VAT that you charge them, they will in fact only pay the invoice amount excluding VAT and therefore nothing will change with the KOR. If your customers cannot deduct the VAT, the VAT increases the price. If you no longer have to charge VAT, the customer will pay less. If you keep the price the same for customers who cannot deduct VAT, then you can keep this VAT amount yourself and therefore your turnover will be higher. If you lower your price with the VAT rate, you will be cheaper for your customers and you will receive the same profit.
- **Administration:** Having no administrative obligations for the VAT can save time and provide financial benefits if you normally outsource your sales tax return.

More information

- [BeroepKunstenaar.nl](https://www.beroepkunstenaar.nl): for information about *taxes & income*, articles about *performing artists tax scheme*, the wizard about *when do vat and turnover tax count for me*.
- [Belastingdienst](https://www.belastingdienst.nl): for information about VAT in the Netherlands.