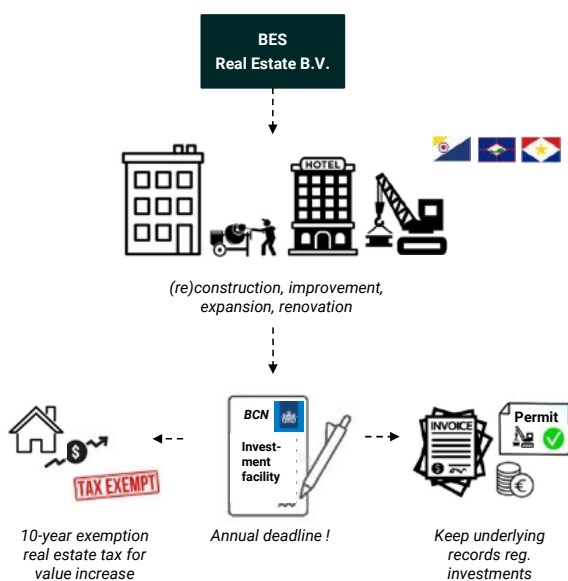


CARIBBEAN NETHERLANDS REAL ESTATE TAX | THE INVESTMENT FACILITY

By Jaap Roks



- **Real estate tax** (in Dutch: "Vastgoedbelasting") is a national tax that is levied on (deemed) income of real estate located in the Caribbean Netherlands (i.e. Bonaire, Sint Eustatius and Saba).
- Real estate tax is levied annually **on the value of the real estate**, in principle at **0.91% in Bonaire** (including island surcharge) and at **0.7% in Sint Eustatius and Saba**.
- **No real estate tax** is levied on real estate which can be classified as an **owner-occupied residence**, or if the real estate belongs to a **sole proprietorship or partnership**.²
- The Tax Authorities determine the value for real estate tax purposes once every five years. Within this period the tax authorities may revise the value, for example in case the real estate is reconstructed. If tax would be levied immediately on the value increase, investing would become less attractive. Therefore, an **investment facility** has been introduced. Changes in value of the real estate caused by (re)construction, improvement, expansion or renovation are temporarily exempt. The duration of the exemption is **ten years**.
- A **special request procedure** needs to be followed within one year after the calendar year in which the investment was made. **It is critical that a correct request is submitted timely.**