

Note on tax deductibility of donations

A donation to a charitable Foundation with ANBI status (Algemeen Nut Beogende Instelling) can be deducted from income tax. There are 2 forms of tax deductibility, each with its own possibilities and conditions.

1. Ordinary donation

The one-off donation to a charitable Foundation with ANBI status can be deducted from income tax by individuals. The deductibility consists of a maximum of 10% of the threshold income. There is also a lower limit: the donation minus 1% of the threshold must exceed € 60,-. The threshold income is the total of income and deductions in boxes 1, 2 and 3, excluding your personal deduction. To make use of this tax deduction option, a letter from the Foundation confirming receipt of the donation is sufficient.

Conditions for deductibility are:

- The donation is voluntary and not mandatory
- There is no consideration for the donation
- The donor must be able to prove that he/she has made the donation

Calculation example: does your (joint) threshold income amounts to € 50.000, you pay in the highest bracket 42% income tax and you have € 100 per month (total € 1.200,-) donated, you may deduct $(1.200 - (1\% \times 50.000) = 500)) = € 700,-$ and you get back 42% or € 294,-.

2. Periodic donation

The periodic donation to a charity Foundation with ANBI status has no maximum, no minimum and no threshold for tax deductibility. The full amount can be deducted from income tax by individuals. The only requirement is that it must be recorded in writing that the donation will be made for at least 5 consecutive years. The relevant agreement is attached. This agreement shall be drawn up in duplicate and signed by a representative of the WNSF Foundation. Both parties retain a copy. If requested, the agreement must be shown to the tax authorities.

PS: the donor must himself instruct the bank for the periodic donation.

Conditions for deductibility are:

- The donation is voluntary and not mandatory
- There is no consideration for the donation
- The periodic donation is laid down in an agreement

Calculation example: the threshold income is again € 50.000, the relevant highest bracket of income tax is 42% and there is an agreement with the WNSF Foundation to donate € 1.200 per year for 5 years. Then the donor may deduct € 1.200 annually from the income tax, without threshold, and he/she will receive back 42% or € 504,-.

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