

## WBSO 2015

### Summary

WBSO is an Act that provides a fiscal facility for companies, knowledge centers and self-employed persons who perform Research and Development (R&D) work.

In this context, R&D means technical scientific research, the development of technologically new physical products or physical production processes (or parts thereof) and the development of technologically new software (or parts thereof). Non-companies qualify only if they perform R&D on the instructions and at the expense of a Dutch company.

Under the Act, a contribution is paid towards the wage costs of employees directly involved in R&D. The contribution is in the form of the payroll tax reduction and social security contributions and an increase in the tax deductions available to self-employed persons. Applications must be received one month before the start of the period for which these facilities are required.

For the purpose of this Act, research and development is defined as:

- development of technically new physical products, physical production processes, software or components thereof;
- technical-scientific research seeking to explain phenomena in fields such as physics, chemistry, biotechnology, production technology and information and communication technology;
- analysis of the technical feasibility of an R&D project you are thinking of launching;
- technical research aimed at enhancing your physical production process or software.

### Contribution

The WBSO allowance contributes towards the wage costs of employees carrying out Research and Development Work. The tax benefit consists of a deduction from the wage tax you are required to pay on the wage costs of these employees. In 2015, this what is referred as the 'R&D withholding tax allowance' amounts to 35% of the first € 250,000 research and development wage costs and 14% for the wage costs above € 250,000. Start-up entrepreneurs can deduct no less than 50% from the wage costs in the first bracket.

### Conditions

Organizations can apply for WBSO allowance when:

- it is a Dutch organization that is organizing and carrying out its own research and development work. The work may be carried out as part of a paid assignment or commercial order, as long as the applicant is coordinating its own activities.
- The employees performing the R&D work need to have a labor contract with the organization that is applying the WBSO allowance (no external hires).
- The technological development needs to be new to the applying organization and involve technological challenges and innovative solutions.
- The R&D work has to be performed within the European Union.
- The R&D work has yet to be carried out (so always apply for a WBSO allowance in advance).
- The applying organization will be required to properly register the R&D hours of its employees as well as keeping an administration about the technical progress of its R&D projects. Dutch authorities may impose an audit on the WBSO administration.

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### Outline WBSO

- ✓ Dutch organizations that have own employees who perform Research and Development (R&D) activities can apply for WBSO allowance.
- ✓ WBSO allowance contributes to lower wage taxes on the employees carrying out R&D activities.
- ✓ In 2015, the WBSO allowance amounts to 35% of the first € 250,000 R&D wage costs and 14% for the wage costs above € 250,000.

### What to expect from us

TechForce Innovations will assist you during the entire process of investigating whether R&D projects would qualify for WBSO allowance, writing of project descriptions and formal WBSO application. TechForce Innovations also support with implementing a proper WBSO administration.

### TechForce Innovations

We are the partner of innovative organizations and assist them in obtaining subsidies, credits, and entering new markets. TechForce Innovations provides you of support and guidance during the entire process.



TechForce Innovations

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