



Tax relief schemes for environmentally friendly investment (Vamil and MIA)

Tax relief on investment that really does make an environmental difference!

Are you an entrepreneur? Then whether you like or not your business activities have an impact on the environment to a greater or lesser degree. But you can do something to reduce that impact. For example by choosing the least polluting alternative when you decide to invest. Does your company endeavour to pick the best solutions that have the least possible impact on the environment? Take inspiration in that case from the Environmental List (Milieulijst in Dutch), which is part of the MIA\Vamil schemes, and which lists the investments that really do make a difference to the environment. Not only does the environment benefit but you, too, gain from tax relief on a major part of the investment costs.

MIA and Vamil

The MIA scheme, offering a tax refund on environmental investment, and the Vamil scheme providing for voluntary depreciation on environmental investment, are two different schemes run by the Ministry of Infrastructure and the Environment, or I&M for short, and the Ministry of Finance. The aim of both of them is to encourage Dutch entrepreneurs to invest in their business operations in an environmentally friendly way.

The MIA scheme allows you to deduct up to 36% of the cost of an environmentally friendly investment from your fiscal profit while the Vamil scheme lets you decide for yourself when to write off 75% of your investment costs. You determine how fast or slow that will be. That in turn offers you an advantage in terms of liquidity and interest. For the other 25% of your investment costs you follow the regular investment rebate. Do you want to know what investment is eligible for the MIA and/or Vamil scheme? Just take a look at the latest Environmental List where you will find all the investments eligible for the MIA scheme, the Vamil scheme or both.

MIA\Vamil schemes: for all entrepreneurs

All Dutch entrepreneurs paying income or corporate tax are eligible to apply for the MIA\Vamil schemes. They are particularly interesting for entrepreneurs in the agricultural sector, shipping and industry, but also for entrepreneurs investing in sustainable transport and sustainable buildings.

The Environmental List

The Environmental List contains 310 items of investment, or capital assets as they are referred to, which cause less environmental damage and are often in advance of the legal requirements. If you invest in these you will be one step ahead of your competitor when legislation and regulations are tightened up and at the same time you will benefit from an attractive tax refund. The most recent Environmental List is on the MIA\Vamil website and has a handy search facility. The Environmental List is not available in English.

Annual update of Environmental List

The Environmental List is annually updated. Investments that fit less well in the MIA\Vamil schemes' objectives on account of advancing technology insights are removed and new innovative investments are added. The I&M ministry bears in mind latest policy topics such as biodiversity and climate change in making changes to the Environmental List.

Businesses (suppliers and entrepreneurs) can propose that a particular capital asset should be included on the list. To be eligible the environmental investment must at least:

- provide an obvious environmental benefit
- be innovative or must still have a small market share in relation to the alternative
- be more expensive than the environmentally unfriendly alternative.

MIA and Vamil applications

Applications for the MIA and Vamil schemes are straightforward. You only need to fill in a single digital form. You don't have to send in any further information. No statement from an accountant is needed for a MIA and/or Vamil scheme application.

Briefly what happens is this: a business that makes a capital investment in a piece of equipment on the latest Environmental List must report the investment to Rijksoverheid Nederland (RVO.NL) within three months of the date of the investment. A detailed step-by-step instruction (in Dutch) can be found on the website www.rvo.nl/miavamil under the heading 'MIA en Vamil aanvragen'.

Project example

An algae bioreactor as bio farm

Algae are fed with wastewater in a closed algae bioreactor. The algae produce vitamins, anti-oxidants, omega-3 fatty acids, antibiotics and natural fungus inhibitors which are used by fish farmers and fruit juice producers.

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