

## Q&A 150 km proof

*This memo reflects the importance of the conditions of (i) being recruited from abroad and (ii) the 150 km requirements. The Dutch tax authorities are very strict on the latter condition and require a lot of evidence as part of the application. Therefore, this memo specifically serves as a further guidance of the 150km information need from employees for the 30% ruling application to be filed with the tax authorities.*

### Q: Why is 150 km proof required?

**A:** You should be posted or recruited from abroad by a Dutch employer or a foreign employer registered as a Dutch wage tax withholding agent. This key condition is tested based on employment contract signing date and the 150km proof documentation.

In addition, you must have lived outside that 150km radius for more than 2/3rd of the 24-month period prior to the Dutch employment. This criterion has a different background and it generally rules out residents from Belgium, Luxembourg, western Germany, northern France and a very small part of the UK. In any event, substantial proof must be provided as the tax authorities review this condition intensively.

#### Recruitment from abroad and 150 requirement in short:

- You have lived abroad at time of recruitment
- You lived for more than 16 months out of the 24 months prior to the first working day outside a 150km radius from the Dutch (land) borders
- Distance measured in a straight line from the Dutch (country) border

**Note:** Exceptions for the 150 km condition applies to (i) doctorate degrees who took up employment within one year after having obtained their PhD and (ii) returning expats who had the 30%-ruling before.

### Q: Which documents of proof to provide?

**A:** Below we have listed examples and have indicated what the tax authorities consider as strong proof and documents that they consider as light or medium evidence. It goes without saying that providing strong evidence is preferred as we then typically less documents.

We always need a combination of at least 2 or 3 types of strong proof documents, for instance a rental agreement, bank statements showing rent payment or other transactions and utility bills. If it is difficult to provide strong proof, we need much more proof to substantiate that you met the 150km requirement.

Furthermore, as the documents serve as proof that you met both (i) the recruitment from abroad condition and (ii) the 150km requirement, the documents to be provided by you should not only relate to the first 16 months of the 24 month period, but instead we should also receive documents with a date close to the moment that you accepted the job offer, eg. one or two months prior to that job acceptance moment.

#### ***STRONG PROOF (documents must cover over 16 out of 24 months prior to start date of employment)***

- 1 Bank statements (showing name, address, location of transactions/cash withdrawals/payments)
- 2 Utility bills (showing name, address)
- 3 Phone bills (showing, name, address, specification)
- 4 Rental payments overview (showing name, address, period)

- 5 Property rental/lease contract
- 6 Registration / deregistration (document from local authorities)

**LIGHT PROOF (documents must cover over 16 out of 24 months prior to start date of employment)**

- 7 Payslips
- 8 Employers statement
- 9 Medical bills
- 10 Insurance invoices
- 11 Tax return and assessments, etc

**Q: What to do in case of different alphabet?**

**A:** Documents in a Latin based alphabet (with the common 26 base letters) is generally accepted and usually understood well enough to be used without translation need. This mainly applies to European and Western countries and Spanish speaking countries.

For other countries, a translation may be needed. If so, indeed, it does not always have to be very thorough or official. Please translate at least the important details (name, address, periods, location) on the documents of proof as far as possible. In case of bank statements mark and translate special payments (rental payments, electricity bills and salary transfers) and provide one of the items to match with those payments on the bank statements. For example: the bank statements show monthly payment of salary. You provide a payslip that correspond to that salary transfer and it is clear to us of which period this is.

For foreign language based documents in languages other than English, German, French and Spanish, it is usually recommendable to select documents of proof that mostly have numeric values, such as utility and telephone bills, bank statements, official tax documents, etc as this is easier understood.

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**Explanatory examples 150km and recruitment from abroad proof**

**Example 1: solid and enough proof (living in rented place before)**

Victor started his Dutch employment on August 1, 2019 (the 24 months period prior to that date starts on August 1, 2017). He provided rental contracts (with name and address details) covering the period of February 2018 up to and including July 2019. In addition to this he provided utility bills and rental payments for this same period.

⇒ *This suffices, it is strong proof and it also covers more than 2/3<sup>rd</sup> (over 16 months) of the prior 24 months.*

**Example 2: solid and enough proof (living before with parents)**

Maria was living with her parents in the past 24 months prior to the start date of employment. Because of that there were no housing related bills in her name. She explained the situation to us and provided bank statements for period of at least 16 out of the past 24 months showing name, address and location of transactions, withdrawals and transactions. In addition to this she provides phone bills showing name and address and the list of locations from which the calls were made.

⇒ *This suffices, it is strong proof and it also covers more than 2/3<sup>rd</sup> (over 16 months) of the prior 24 months.*

**Example 3: solid but not enough proof**

Javier started his Dutch employment on September 1, 2019 (the 24 months period prior to that date starts on September 1, 2017). He provided electricity bills of December 2017, March 2018 and for July 2018 plus a phone bill for November 2017 and a bank statement only showing balances (no location of transactions) covering the period January to August 2019.

- ⇒ *This is not sufficient. The utility and phone bills may be strong, but it only covers 13 months of the requested period and that is simply not enough. Besides, the bank statements lack details of location and nature of transaction which means that – on the basis of the bank statements – it cannot be assessed whether Javier lived outside the 150km zone (it merely proves that a bank account was held and possibly transactions were made but as these lack details, the Dutch tax authorities will qualify this as insufficient proof).*

**Example 4: proof outside the 24 month time frame**

Julia started her Dutch employment on July 1, 2019 (the 24 months period prior to that date starts on July 1, 2017). She provided bank statements and utility bills covering January 2015 until September 2016.

- ⇒ *This is not sufficient and not useful at all. The type of proof may be strong, but it covers a period that is irrelevant in this case (the relevant and requested period is from July 2017 until July 2019)*

**Example 5: solid and enough 150km proof but insufficient for recruitment from abroad condition**

Antonio started his Dutch employment on October 1, 2019 (the 24 months period prior to that date starts on October 1, 2017) and signed his contract on September 15, 2019. He provided bank statements and utility bills covering the period from October 2017 until June 2019.

- ⇒ *This proof is sufficient for the 150km requirement but doesn't prove that he was recruited from abroad as it is not clear where he was when he accepted (signed) his contract with his Dutch employer. Hence, we needed some similar or different proof dated in September 2019.*