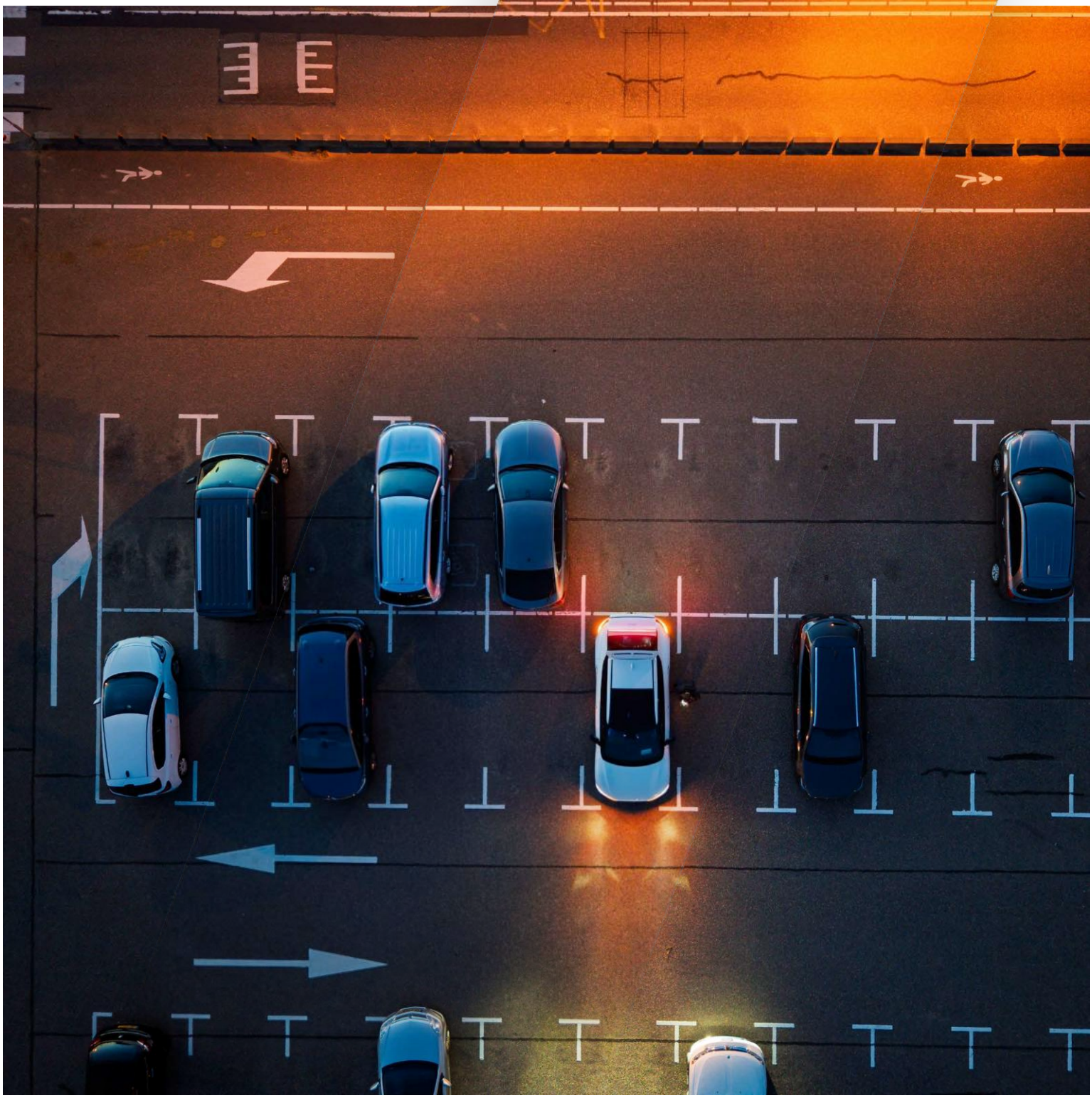


The impact of the new employer levy on non-electric company cars from 2027

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To encourage the transition to zero-emission vehicles, a new pseudo-final levy will be introduced as of 1 January 2027 for non-electric cars made available by employers to employees. This measure may result in significant additional costs for employers. It is therefore important for employers to gain timely insight into the financial and administrative consequences.

The key aspects of the new legislation and its implications are outlined below.



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Are you planning to provide company cars to employees in 2026 or beyond? Then it is important to carefully review the duration of your lease contracts. From 1 January 2027, employers will become subject to a new employer levy, known as the pseudo-final levy, when they make non-electric company cars available to employees for private use, including home to work travel.

What is a pseudo-final levy?

The pseudo-final levy is an employer tax that is borne by the employer. It is separate from the regular taxable benefit-in-kind that applies to employees using a company car for private purposes. The levy may not be recharged to the employee.

When is a car considered available for private use?

For the regular company car benefit-in-kind rules, private use does not include, commuting between home and work.

For the pseudo final levy commuting will however, be treated as private use. This is a very important difference between the two rules in relation to company cars. It is important to acknowledge that if no benefit in kind is calculated for an employee, because a “declaration no private use” is available this does not mean that the final levy is not applicable. If a car is used for commuting or other private use, in principle the pseudo final levy will be due!

Which vehicles fall within the scope?

The measure applies to all non-zero-emission passenger cars made available to employees, including hybrid vehicles. The following vehicles fall outside the scope of the levy, delivery vans, motorcycles. Passenger vans designed to carry up to nine persons are, however, included.

Levy rate and taxable base

The pseudo-final levy amounts to 12% of the vehicle’s list price, including VAT and Dutch tax on passenger cars and motorcycles (BPM).

For vehicles older than 25 years, the levy is calculated based on the vehicle’s fair market value.

When must the levy be paid?

The levy is calculated on a monthly basis, but employers are not required to remit it monthly. Employers may settle the levy annually, no later than the wage tax return for the second wage tax period of the year following the calendar year to which the levy relates. The levy is only due for the months during which the car is made available to the employee. Employers may also choose to make estimated payments during the year, followed by a year-end reconciliation. For purposes of the pseudo-final levy, if a non-electric car is available for private use at any time during a calendar month, it is deemed to have been available for the entire month.

Additional exceptions and exemptions announced in the 2027 Dutch tax plan

- Temporary replacement vehicles provided due to maintenance, damage, or repairs are exempt for a period of up to 14 consecutive days.
- A limited exemption applies to the short-term provision of fossil-fuel vehicles for up to 7 consecutive days per calendar year (until 31 December 2030).
- A specific exemption will be introduced for driving school vehicles.

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Effective date and transitional rules

Under the transitional rules, the pseudo-final levy will not apply until 31 December 2030 to non-electric cars that were first made available to an employee before 1 January 2027.

Employers planning to provide passenger cars in 2026 should carefully consider the consequences of the duration of both existing and new lease arrangements.

Where a non-electric passenger car continues to be made available after 31 December 2030, the pseudo-final levy will apply immediately from 1 January 2031.

For non-electric passenger cars first made available to employees on or after 1 January 2027, the pseudo-final levy will apply immediately.

It is therefore essential for employers to assess the impact of this measure in a timely manner to avoid significant and potentially unexpected additional employment costs.

Schedule your baseline assessment

All employers providing company cars to employees should take the new pseudo-final levy into account. Obtaining timely insight into the impact on your organisation is therefore crucial.

Through our baseline assessment, we help identify:

- Which vehicles may fall within the scope of the regulation;
- Which lease agreements may create risks once the transitional rules expire;
- The implications for your payroll administration and mobility policy.

Based on this analysis, we provide practical recommendations to help you take appropriate action and mitigate financial and administrative risks.

Would you like more information or insight into the impact of the new rules on your organisation? The Employment Tax specialists at Forvis Mazars would be pleased to assist. We would be happy to visit your organisation for an introductory discussion and an initial assessment of the key areas requiring attention.

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