



## COVID19 deduction already possible in 2019 through “Corona Reserve”

On May 8, 2020, the Dutch State Secretary of Finance approved the inclusion of a so-called “Corona Reserve” in the previous financial year. Under the following conditions, it may be possible to deduct a loss made in 2020 already in the 2019 corporate tax return:

1. The company expects to make a loss in 2020 due to the corona crisis, e.g. due to decrease of revenues as a result of a lock down.
2. The expected corona-related losses cannot exceed the total loss that the company expects for 2020. If it is expected that a taxable profit will be made in 2020, the inclusion of the reserve is not possible. In addition, the State Secretary indicates that the company should estimate the extent of the corona-related loss as accurately as possible.
3. The Corona Reserve may not exceed the 2019 taxable profit calculated without the reserve.
4. The reserve should be fully released in 2020.

The Corona Reserve can be included in the 2019 corporate tax return. If a tax return for 2019 has already been submitted, a new declaration can be submitted, including the Corona Reserve. It is possible to fast track a refund of 2019 corporate tax that is already paid by submitting a provisional tax return for 2019.

In case the financial year does not correspond to the calendar year, a Corona Reserve can be included in the last financial year ending in the period from January 1st 2019 up to and including March 31st 2020. The reserve should then be fully released in the subsequent financial year.

### Contact

If you would like to know more about the above topics, please contact:

**Hugo Everaerd,**  
**Partner International Tax - International Liaison Partner**

[h.everaerd@crowefoederer.nl](mailto:h.everaerd@crowefoederer.nl)

+31 (0)6 – 47 14 75 91



**Bas Buytendijk,**  
**Partner / Tax Lawyer**

[b.buytendijk@crowefoederer.nl](mailto:b.buytendijk@crowefoederer.nl)

+31 (0)6 - 11 62 88 55

