

## INVESTING IN HYDROGEN: TAX DEDUCTION

*As of this year, the Netherlands has decided to incentivize investments related to hydrogen. In this newsletter we will inform you on how to claim tax deduction for these investments.*

### HYDROGEN

In order to successfully transit to a carbon neutral society, investments in hydrogen will play an important role. As investments related to hydrogen are now mentioned in the Environmental List 2022 and the Energy List 2022, companies will be able to claim (significant) deductions and reduce tax exposure.

### MIA

Companies that invest in environmentally friendly assets may be eligible for application of the environmental investment deduction (MIA). In 2022, up to 45% of the total investment cost can be deducted from the taxable profit, whereas this was capped to 36% in 2021.

The MIA is only applicable when investments are listed on the Environmental List 2022. For example, the Environmental List 2022 includes trucks that run on a mixture of hydrogen and diesel. The MIA can be applied simultaneously with the Vamil-scheme, allowing companies to gain a liquidity advantage (see below).

### VAMIL

The Vamil-scheme offers the opportunity to write off 75% of designated investments in a specific book year. Therefore, the facility enables companies to improve their cash position. When companies invest in assets that are listed on the Environmental List 2022, they are able to claim this facility. As mentioned before, the facility can be applied simultaneously with the MIA.

### EIA

Companies that invest in specific sustainable, energy-efficient business assets, may qualify for the application of the energy investment allowance (EIA). This allows 45.5% of the investment costs to be deducted from the taxable

profit. For this purpose, the investments must be listed on the Energy List 2022.

The Energy List 2022 includes the following three new investments:

- production of hydrogen by means of electrolysis;
- stationary storage of hydrogen; and
- connection to private hydrogen networks.

The EIA and MIA/Vamil cannot be claimed simultaneously for the same business assets.

### RESUMÉ

Investments related to hydrogen can be eligible for tax deduction under MIA/Vamil or EIA and increase a company's cash flow position. If you would like to be informed on how the application of these facilities can reduce your tax exposure, feel free to contact us.



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