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AMSTERDAM TO PUT UP PROPERTY TAXES, CUT SPENDING TO FILL €200M SPENDING GAP1

Amsterdam to put up property taxes, cut spending to fill €200m spending gap

Amsterdam city council is planning to put up local taxes and cut spending in an effort to cover an estimated €200m annual gap in the city's finances, due in part to the coronavirus epidemic.

The city's left-wing coalition is now planning to put up property taxes by around 20%, bring in more paid parking on Sundays and cut back on transport services for pensioners, the Parool has reported.

'No-one likes the idea of putting up property taxes,' local GroenLinks leader Femke Roosma told the paper. 'But Amsterdam had the lowest property tax rate in the Netherlands, and that also means we received less money from national government. We are increasing the tariff in line with the government's figure.'

The increase will add around €30 to the annual bill of a property worth €400,000, D66 party leader Reinier van Dantzig said. Special budgets for district-based projects, accommodation for refugees, efforts to combat youth crime and poverty and educational initiatives all face being cut back or scrapped altogether, the paper said. Details still have to be worked out by the department chiefs.

Working at home

At the same time, civil servants will spend more time working at home, so that the city spends less on office space.

In other measures, the number of areas where holiday rentals are banned is to be extended and the city is to focus on building more homes for the 'middle class', the paper said. Investments will also be made in boosting the energy efficiency of housing, which officials hope will result in the creation of 4,500 jobs. As yet, no other cities have followed Amsterdam's lead and announced coronavirus related cuts.

International Property Tax Institute