

The Financial Position of Dutch Municipalities

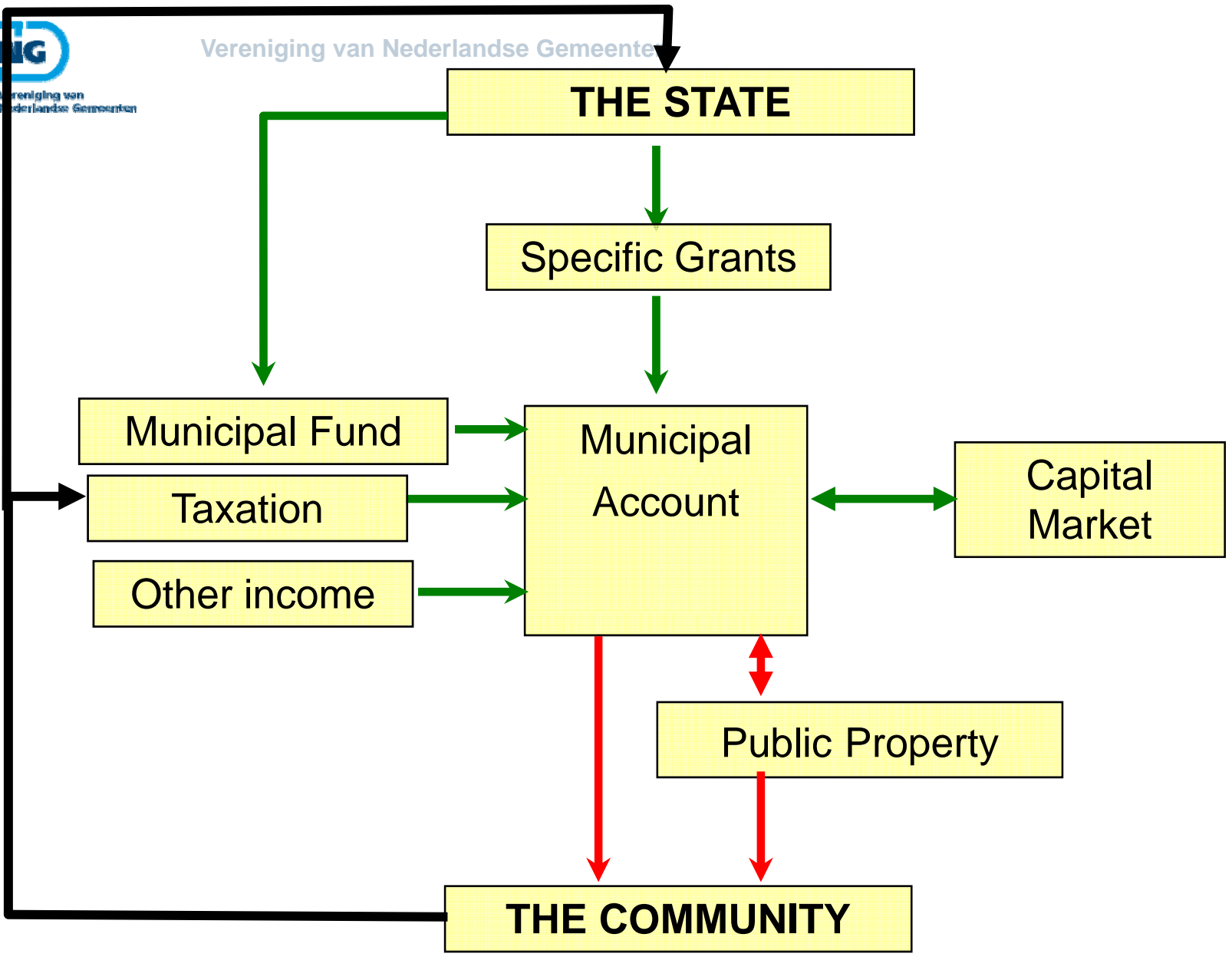
2008

Dutch municipalities

- In the Netherlands there are three layers of government: State, Province (12) and Municipality (443); the Netherlands are also a member of the European Union
- The municipalities are the layer of government which is the closest to the people; the Dutch municipalities execute public tasks of the state and autonomous public tasks
- Public tasks delegated by the state are financed through specific grants; autonomous public tasks of municipalities are financed by a general grant out of a municipal fund, taxation, interest and other income



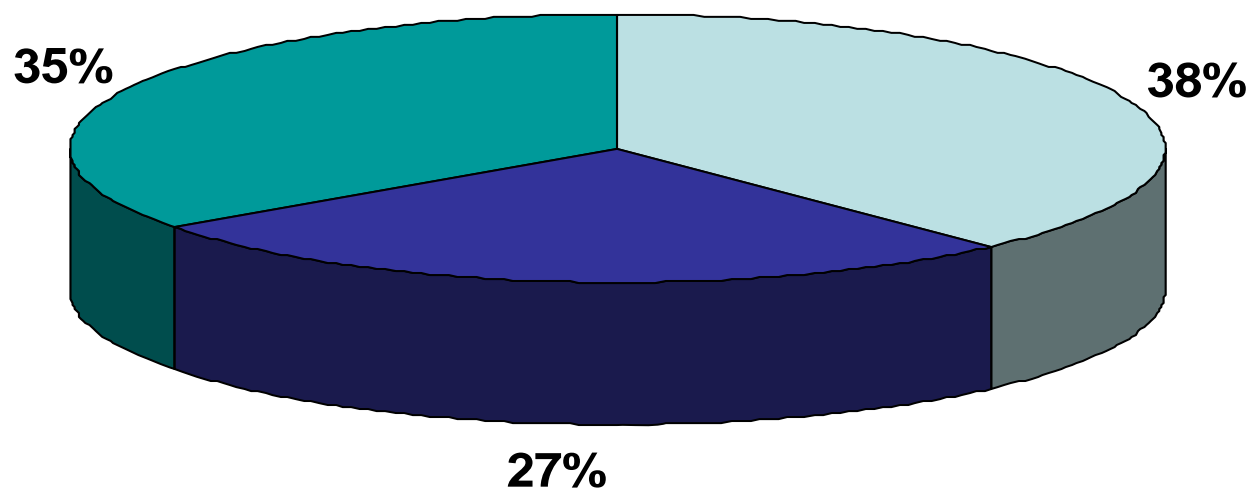
Vereniging van Nederlandse Gemeenten



Municipal income 2008

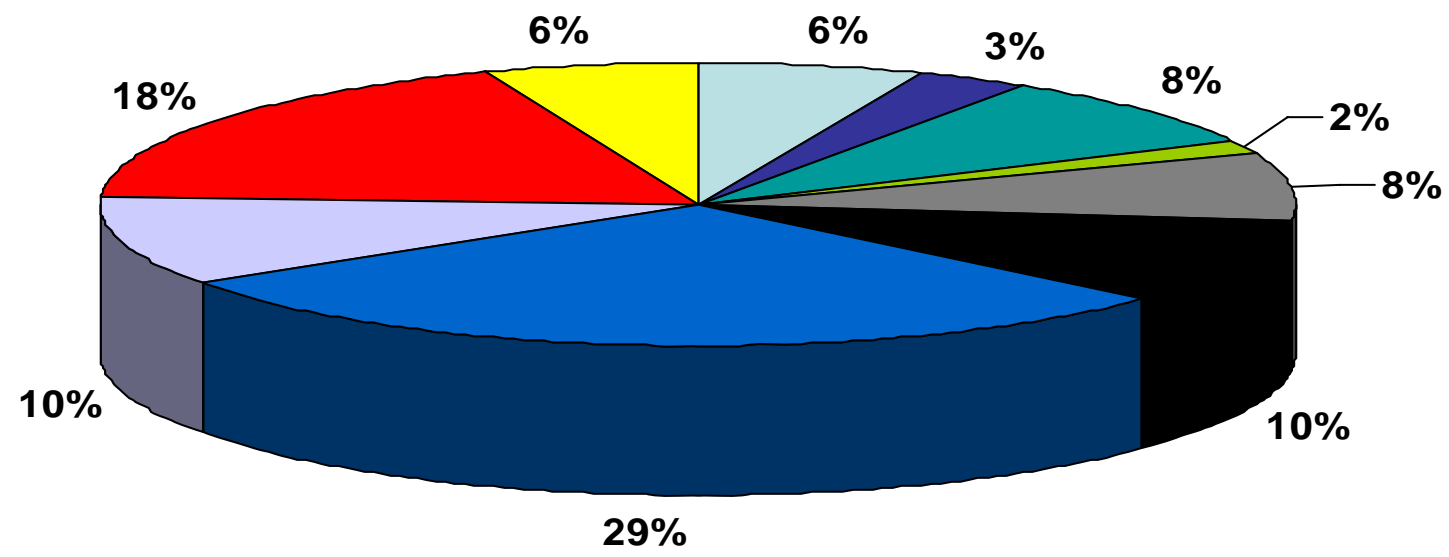
	bln euro	%
General grant	15,9	32%
Specific grants	11,3	23%
Taxation	3,5	7%
User charges	3,7	8%
Other income	14,7	30%
Total income	49,1	100%

Municipal income 2008



General grant Specific grants Own income

Municipal expenditure 2008



- | | |
|---|--|
|  Public administration |  Public order and safety |
|  Traffic and transport |  Economic affairs |
|  Education |  Culture and recreation |
|  Social services |  Public health and environmental issues |
|  Housing |  Other |

General grant / Municipal Fund

- To execute autonomous tasks municipalities receive a general grant out of a municipal fund. The fund is filled out the national government budget. In 2005 an amount of 11.7 billion euro is destined to the fund.
- The yearly amount of the national budget for the municipal fund sizes about 15% of the net corrected national government budget.
- The municipal fund is divided among the municipalities according to a fixed scheme of proportions. Each municipality receives an amount out of the fund taking in account the specific social economic conditions of each municipality.

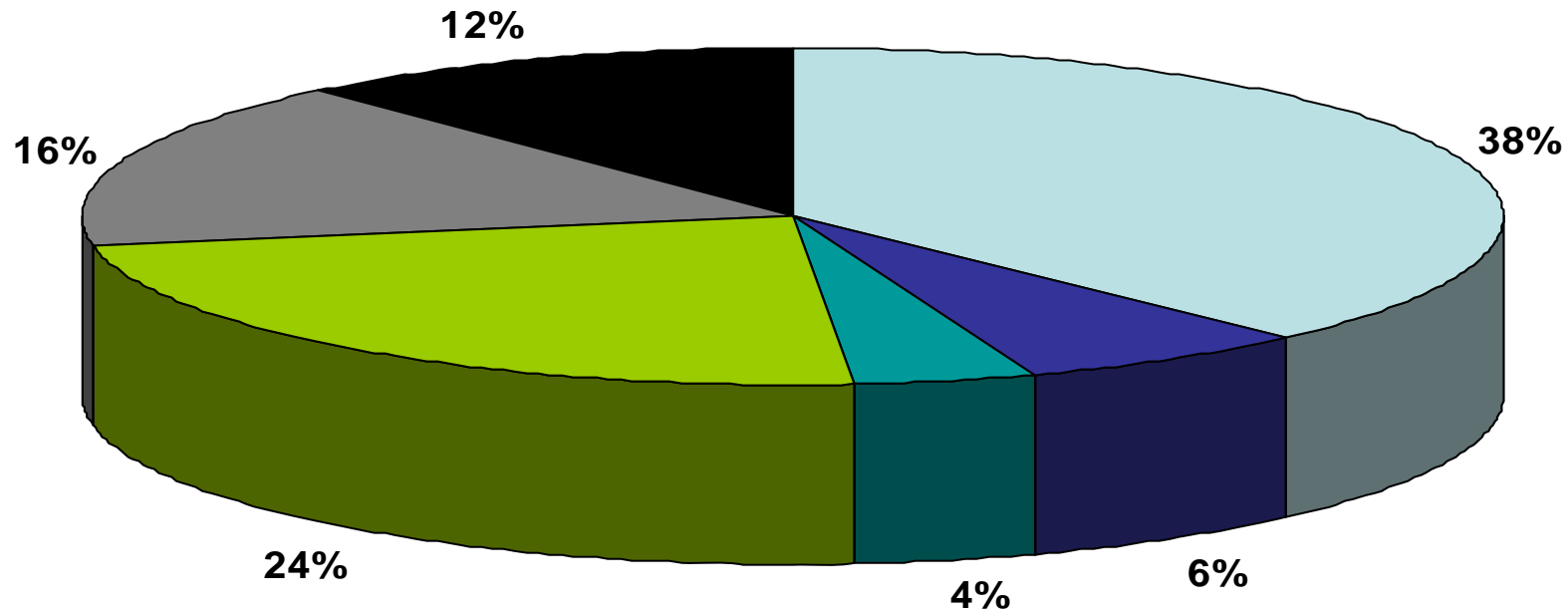
Specific grants

- **Grants for specific purpose**
- **Not open ended arrangements**
- **Risk lies with central government**
- **Total amount of 11,3 billion euro**
- **Mainly for sociale services, education and infrastructural purposes**

Municipal income from taxation and user charges

- Taxation income of Dutch municipalities exists out of taxes and user charges (levies).
- The estimated amount of taxes to be collected in 2008 is 3,5 billion euro. The most important tax is tax on real estate (2,7 billion euro).
- The estimated amount of user charges to be collected in 2008 is 3,7 billion euro. The most important user charges are refuse collection charges (1,7 billion euro) and sewerage charges (1,2 billion euro).

Municipal income from taxation and user charges 2008



- | | |
|-------------------|---------------------------|
| Real estate taxes | Parking fees |
| Other taxation | Refuse collection charges |
| Sewerage charges | Other user charges |