



How Is Your Profit Taxed?



This is how income tax works for sole proprietorships and general partnerships.

You make a profit as an entrepreneur. But what do you keep?

If you operate as a sole proprietor or partnership, you pay income tax, not corporate tax. This offers access to deductions but also brings responsibilities.

Income tax rates (2024)

Your profit is taxed via the progressive income tax rates:

- Up to € 38,441: 35.82%
- € 38,441 – € 76,817: 37.48%
- Above € 76,817: 49.50%

Fortunately, as an entrepreneur you are entitled to deductions that can significantly reduce your taxable profit.

Key deductions

- 1 Self-employment deduction: € 2,470**
- 2 Start-up deduction: € 2,123 (for first 3 years)**
- 3 SME profit exemption: 12.7% after deductions**

Example

Let's say you earn €60,000 in profit as a sole proprietor

Self-employed deduction	– € 2.470
Start-up deduction	– € 2.123
Taxable profit	€ 55.407
SME profit exemption (12.70%)	– € 7.037
You pay tax on	€ 48.370

So you don't pay tax on the full amount.

Please note: this is an example, not tax advice.

"We check twice a year whether switching to a BV is more beneficial for you."

Van 't Hul helps by:

With GRIP, we make sure that we are:

- Keeping your bookkeeping complete
- Preparing optimal tax returns
- Ensuring all deductions are applied
- Giving timely insight on reserves
- Avoiding overpayment and delays

Get a flying start with GRIP

With GRIP, you are not alone as a starting entrepreneur. We guide you through the start-up and remain your financial sparring partner afterwards.

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