

The rate per year has no specified limitation, but the taxpayer must remain within the limits of good commercial practices. The Netherlands allows depreciation to begin when the asset is "contracted for." To stop abuse through excessively long production delays a bill is now pending before Parliament which would restrict depreciation to the portion of the asset already paid for.

*Types of buildings or equipment not subject to depreciation*

None.

*Accelerated depreciation*

Due to a labor shortage assets purchased after April 20, 1960, can now only have one-third of their total cost written off by accelerated depreciation at a lower rate and over a longer time than previously. Under this new formula, 8½ percent of investment per year in machinery and equipment may be written off the first 4 years, and 6 percent for the first 5½ years of buildings, that is, the total accelerated depreciation, 33½ percent of cost, is taken at 6 percent per year for 5 years, leaving 3½ percent for the sixth year. The final two-thirds cost may be written off over the entire life of the asset in the regular manner. An exception is the 16½ percent per year accelerated writeoff allowed for investments by shipping and air transport companies engaged in international traffic. The accelerated provisions are not now applicable to office equipment and motor cars not used primarily for commercial road transport. The accelerated depreciation in respect of an asset need not be applied in the first year in which this is permitted, but if it is applied in a subsequent year the normal depreciation previously applied must be taken into account. Accelerated depreciation applies to used as well as to new property in the Netherlands.

SWEDEN

*Corporate tax rate*

The national corporate tax rate is 40 percent.

*Method of computing depreciation*

Two alternative methods of computing depreciation on machinery and equipment are available. The "book depreciation" method, used by most taxpayers, permits the deduction of whatever depreciation the taxpayer chooses to take on its books, provided the deduction does not exceed the higher of two alternative limitations. One of the alternative limitations is the amount computed by applying a 30-percent rate under the declining-balance method for all machinery and equipment. The other alternative limitation is the amount necessary to reduce the book value of all machinery and equipment to a figure equal to (1) its total acquisition cost reduced by (2) depreciation at the rate of 20 percent, on a straight-line basis, since acquisition. In effect, the taxpayer may write off the entire cost of machinery and equipment in 5 years. The "planned depreciation" method allows taxpayers to write off the cost of machinery and equipment, on the straight-line method, over the estimated useful life.

Equipment having a useful life of 3 years or less may be written off in full in the year of acquisition.

Buildings must be depreciated on the straight-line method over the estimated useful life.

*Rates of depreciation*

Under the "book depreciation" method described above machinery and equipment may be depreciated at any rate desired by the taxpayer, subject to the limitation. Effectively, this method allows the writeoff of machinery and equipment over a 5-year period.

Rates of depreciation for buildings are, generally, between 1½ and 3 percent under the straight-line method.

*Types of buildings or equipment not subject to depreciation*

None.

*Accelerated depreciation*

Except for the acceleration provided by the "book depreciation" method of depreciation for machinery and equipment, no special accelerated depreciation allowances are in effect.