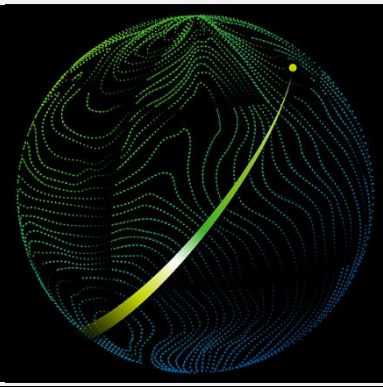
Deloitte.



Greening of Mobility in Belgium

New company car regime and other measures aiming at the decarbonisation of mobility

As part of the Federal Government's climate sustainability plans, the Law aiming at the Greening of Mobility in Belgium (Dutch | French) puts forward a new tax regime for company cars based on which only the costs associated with company cars with zero carbon emissions will be tax deductible as from 2026. The bill also introduces incentives for investment in charging infrastructure and zero-emission lorries.

In addition, the Greening of Mobility Law extends the scope of the mobility budget regime, to encompass other sustainable modes of transport and additional types of cost

The key tax measures in the bill can be summarized as follows:

Fossil fuel and hybrid company cars

For **fossil fuel or hybrid cars acquired, leased, or rented before 1 July 2023**, the current tax deductibility rules will continue to apply ("grandfathering regime").

The maximum corporate tax deduction (i.e., depreciation or rental payments) for **fossil fuel or hybrid cars acquired, leased, or rented between 1 July 2023 and 31 December 2025** will be progressively reduced as follows:

Date car acquired, leased, or rented:	Maximum deduction	Minimum deduction
As from 1 July 2023	100%	50%(*)
As from 1 January 2025	75%	50%(*)
As from 1 January 2026	50%	0%
As from 1 January 2027	25%	0%

As from 1 January 2028	0%	0%

(*)40% for vehicles with CO_2 emission of 40% or more

For type 2 and 3 entities subject to legal entities tax, an amount equivalent to the disallowed element of the costs of fossil fuel cars or hybrids acquired, leased, or rented **as from 1 January 2026** would be included in the taxable base for legal entities tax purposes.

Zero-emission company cars

As from 2026, only the costs associated with company cars with zero carbon emissions will be 100% deductible. However, this deductibility will be gradually decreased from 2027 as follows:

Date zero-emission car acquired, leased, or rented*	% deduction
Before 2027	100%
In 2027	95%
In 2028	90%
In 2029	82.5%
In 2030	75%
In 2031	67.5%

(*) the year in which the car is acquired or the lease/rent has started, determines the tax deductibility for the whole period of use/lease/rent of the company car.

For zero-emission company cars acquired, leased, or rented **as of 1 January 2026** by type 2 and 3 entities subject to legal entities tax, a percentage of the car costs equal to the reduction in the tax deductibility will be included in the taxable base for legal entities tax purposes, as follows:

Date zero-emission car acquired, leased, or rented*	Taxable % of car cost
In 2027	5%
In 2028	10%
In 2029	17.5%
In 2030	25%
In 2031	32.5%

(*) the year in which the car is acquired or the lease/rent has started, determines the amount that needs to be added to the taxable base for the whole period of use/lease/rent of the company car.

Fossil fuel company cars

For fossil fuel company cars, the tax deductibility of fuel costs would follow the tax deductibility for costs associated with **fossil fuel company cars** (see above). **For hybrid cars purchased, leased, or rented as at 1 January 2023**, only maximum 50% of the fossil fuel costs would be tax deductible after that date and as from 2026, fossil fuel costs no longer would be tax deductible.

For hybrid cars purchased, leased, or rented as of 1 January 2023, only maximum 50% of the fossil fuel costs will be tax deductible after that date. In line with company car costs, the maximum tax deductibility for fuel costs for hybrid cars purchased, leased or rented as of 1 July 2023 will further decrease to 25% in 2027 and 0% in 2028. For hybrid cars purchased, leased or rented as from 2026, fossil fuel costs will no longer be tax deductible.

Charging stations

Since 1 September 2021, an **increased corporate tax deduction** (i.e., enhanced depreciation) is available in respect of new investments in publicly accessible charging stations as follows:

- 200% of the cost for investments made between 1 September 2021 and 31 December 2022; and
- 150% of the cost for investments made between 1 January 2023 and 31 August 2024.

As from 1 September 2021, individuals who privately bear the cost of the acquisition, installation, and formal approval of a new charging station are **entitled to a tax credit** for a percentage of the cost against their tax payable, as follows:

2021 and 2022	45%
2023	30%
2024	15%

The amount of the initial expenditure in respect of which a tax credit can be granted is limited to EUR 1,500 per charging point and per taxpayer.
As from 1 January 2027 until 31 December 2029, expenses related to acquired, leased, or rented charging stations for electric company cars will remain 100% tax deductible. This percentage will be reduced to 75% as from 1 January 2030.

Employer solidarity contribution (CO_2 tax)

The minimum CO2 tax will be gradually increased as of 2025 for both zero-emission and non zero-emission cars. Additionally, the CO_2 tax will be multiplied with a factor for fossil fuel and hybrid company cars that can also be used for private and/or commuting purposes and which are acquired, leased, or rented as of 1 July 2023. The CO_2 tax will gradually increase as follows:

	Minimum monthly CO_2 tax (non indexed)	Multiplicator for fossil fuel and hybrid company cars
Before 1 July 2023	€ 20,83	n.a.
As from 1 July 2023	€ 20,83	2.25
As from 1 January 2024	€ 20,83	2.25
As from 1 January 2025	€ 23,41	2.75
As from 1 January 2026	€ 25,99	4
As from 1 January 2027	€ 28,57	5.5
As from 1 January 2028	€ 31,15	5.5

Zero-emission lorries and electric charging infrastructure

As from 1 January 2023, an increased investment deduction will be available where certain conditions are met, with rates as follows:

2023	35%
2024	29.5%
2025	24%
2026	18.5%
2027	13.5%

Excise duties on electric charging at the office

From an excise duty perspective, the provision of electricity for the charging of electric vehicles at a charging station will qualify as consumption, rather than distribution. In practice, this means that businesses and organisations do not incur excise obligations as excises will be applied at the level of the energy supplier to the charging point.

Mobility budget regime

The mobility budget regime allows employees to exchange their company car for a more environmentally friendly car (pillar 1), a wide range of alternative mobility solutions (pillar 2), and/or a cash payment (pillar 3).
The Greening of Mobility bill extends the mobility solutions available within the mobility budget, simplifies the application of the budget, and further transitions the budget towards sustainable mobility. The new measures will come into force as from 1 January 2022, unless otherwise stated.

Extension of the available mobility alternatives

The Law extends the scope of the mobility budget to encompass other sustainable modes of transport and additional types of cost, as follows:

- Financing costs (e.g., loans to purchase a bicycle) in addition to the current options to purchase, rent, or lease a vehicle via the mobility budget;
- Storage costs, e.g., the costs related to the public or private parking of a bicycle, motorcycle, or electric motorcycle (other than in the context of public transport);
- The costs of nonmandatory safety equipment (e.g., to increase visibility);
- New electric means of transport, such as electric scooters;
- The financing of season tickets on public transport for travel by the employee's family members;
- Parking costs associated with the use of public transport;
- An allowance for commuting by foot, step through electric bicycle, or skateboard, or for people with reduced mobility, electric wheelchair or electric scooter; and
- The distance between the employee's home and workplace for assistance with housing costs (i.e., rental and mortgage payments) via the mobility budget would be extended from five kilometers to 10 kilometers.

Other changes to the mobility budget regime

The main changes to the mobility budget regime are intended to simplify the application of the mobility budget and to further streamline the budget in line with the objectives of the new Greening of Mobility bill:

- The "waiting period" requiring employees to be entitled to a company car for at least 12 months over a 36-month period before being able to request the mobility budget would be removed;
- Minimum and maximum amounts would be introduced for the mobility budget. The minimum annual amount would be EUR 3,000 and the maximum amount equal to the lower of 20% of the total gross annual salary or EUR 16,000;
- As from 1 January 2026, only zero-emission company cars would be available for selection as an environmentally friendly company car within pillar 1 of the mobility budget; and
- As from 1 January 2026, only zero-emission vehicles would be eligible as alternative mobility options within the scope of pillar 2, namely:

- All motorised vehicles within “soft mobility” (e.g., scooters);
- Carpooling and car sharing; and
- Hire of cars with a driver (e.g., taxis)

Contacts

If you have any questions concerning the items in this alert, please contact your usual tax consultant at our Deloitte office in Belgium or:

- Timothy Bruneel, tbruneel@deloitte.com, +32 9 393 74 62

For general inquiries, please contact:
bedeloittetax@deloitte.com, + 32 2 600 60 00

Be sure to visit us at our website: Deloitte Global Employer Services

Stay tuned with the latest developments:

Tax News and Insights | Deloitte Academy | Deloitte Belgium Tax