



Tax alert

Belgium

Program Law adopted by Belgian Parliament

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Last Friday, the House of Representatives adopted the Program Law ([link to adopted text](#)). The law is expected to be published in the Belgian Official Journal later this month.

The following tax measures are included in this law:

- The Cayman tax, applicable as of 1 January 2015, which will render income generated by tainted "legal constructions" directly taxable in the personal or legal entities tax, through a tax transparency fiction, in the hands of their founders or beneficiaries;
- A number of tax incentives for start-ups, i.e. a personal tax reduction for the acquisition of qualifying new shares in start-ups (applicable as of tax year 2016 for shares issued as of 1 August 2015), a payroll tax exemption for start-ups (applicable to remuneration paid or attributed as of 1 August 2015) and a personal tax exemption for interest from qualifying loans granted to start-ups as of 1 August 2015;
- Subject to European approval, the diamond tax regime that will determine the taxable result from the diamond trade of registered diamond traders at 0.55% of their diamond trade turnover (applicable as of tax year 2016);
- An increased investment deduction for SME's for qualifying digital investments (applicable as of tax year 2016);
- Subject to meeting numerous conditions, an extension of the recently introduced liquidation reserve regime to the remaining after-tax profits of tax years 2013 and 2014 (no withholding tax is applied upon liquidation if these profits remain booked on an unavailable account and a separate 10% tax has been paid upon allocation of the profit to this account);
- An employment bonus increase as of 1 August 2015;
- Changes to the new tax regime for intercommunales (intercommunal cooperatives) implemented by the Program Law of 19 December 2014:

- Intercommunales and similar entities remain subject to the legal entities tax regime if their principal activity is that of a hospital or an institution assisting war victims, disabled persons, elderly, protected minors or needy people;
- Revision of certain transitional provisions applicable when an intercommunale becomes subject to corporate tax (e.g., existing reserves and provisions will be considered as taxed reserves for corporate tax purposes).
- The so-called "bank tax", i.e. a limitation of the use of certain tax attributes (previous year tax losses, dividend received deduction and notional interest deduction) by banks and insurance companies (applicable as of tax year 2016).

Contacts

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

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