



## Tax alert Belgium

### Budget 2017

The Federal Government reached an agreement for the 2017 budget on Friday 14 October 2016.

The slide deck used by Prime Minister Michel during his press conference presentation on Saturday 15 October 2016 can be found here ([Dutch](#) | [French](#)).

The following is a summary of what has currently been confirmed by the Prime Minister and the Finance Minister regarding the tax measures included in the 2017 budget:

- The standard withholding tax rate will increase from 27% to 30% as of 1 January 2017.
- A new anti-abuse measure relating to the so-called "internal capital gains" will be introduced to close the loophole where dividend withholding tax is avoided by a private shareholder contributing his operating company's shares into a holding company.
- The speculation tax will be abolished.
- The stock exchange tax rates remain unchanged but the caps will be doubled (for shares, bonds and funds). In addition, transactions via foreign platforms will now also be caught by this tax.
- The tax deductibility of fuel cards in the hands of the employer will be further limited.

- As an alternative to a company car (or other means of transportation), an employee will be able to opt for additional net salary.
- Tax (and social) benefits will be linked to a minimum period of employment and/or residence in Belgium (e.g. the recently announced measure denying tax refunds to asylum seekers).
- Finally, the budget expectedly includes measures designed to tackle tax and social fraud.

No agreement has been reached on three more structural measures: (1) the corporate tax reform, (2) the taxation of private capital gains on shares and (3) new support measures to boost investments (start-ups and SMEs). Regarding the corporate tax reform, the Prime Minister's presentation specifies that "the texts are being examined"; a similar message was given during the 16 October 2016 government declaration.

More information will be provided as soon as more details are available.

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## 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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