



## Tax alert Belgium

### Budget 2017 agreement update

Additional information on the tax measures mentioned in the [tax alert of 17 October 2016](#) regarding the 2017 budget agreement has come to light. A summary follows below.

- Next to the increase of the standard withholding tax rate to 30%, it would appear that the withholding tax on liquidation reserves created as of 2017 and distributed during the first 5 years would increase from 17% to 20%.
- Regarding the "internal capital gains", existing structures would be examined under the GAAR, whereas for new structures, the loophole would be closed by only recognising the acquisition value of the operating company's shares in the hands of the contributor as fiscal capital in the hands of the holding company. Any excess capital created upon the contribution would be considered a taxed reserve, triggering withholding tax upon distribution by the holding.
- The Government decided that every employee should be able to convert his/her company car (and fuel card) into a mobility budget or additional net salary. This new regime, the details of which will need to be elaborated by the competent ministers by April 2017, should be budget neutral at Government, employer and employee levels.
- No changes are made to the existing company car regime, except that fuel cards would become subject to a lump-sum tax in the hands of the employer.

Updates will continue as new information becomes available.

## Contacts

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

For general inquiries, please contact:  
[bedeloittetax@deloitte.com](mailto:bedeloittetax@deloitte.com), + 32 2 600 60 00

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