



## Tax alert Belgium

### FAQ on fuel card and other fuel costs published

On 30 May 2017, the tax authorities published an FAQ regarding the new corporate tax rules for fuel card and other fuel costs ([Dutch](#) | [French](#)), introduced by the Program Law of 26 December 2016.

Effective 1 January 2017, the rules regarding the separate disallowed expense for company cars have been thoroughly modified.

While the disallowed expense was previously always equal to 17% of the "actual" benefit in kind (i.e. the theoretical benefit in kind less any personal contribution), it is now equal to either 17% or 40% of the "theoretical" benefit in kind (i.e. no deduction for any personal contribution).

The rate will depend on whether fuel costs related to company car private use are borne by the employer:

- The 17% rate applies if the company does not bear any fuel cost related to company car private use;
- The 40% rate applies when the company bears (part or all) of the fuel cost related to company car private use.

The FAQ mentions that whether or not a company intervenes in the private fuel costs can, e.g., be determined based on a specific clause in the employment contract or an appropriate reference in the company car policy.

In the absence of such wording, and should the employer bear the fuel costs, a distinction needs to be made between company car private and professional use. If no logbook (or other similar process) is used, the private use (and consequently the applicable rate) can be determined based on a lump sum formula. In case a fuel card is provided, this implies that the private fuel costs are equal to:

$$\text{Total fuel costs} \times \frac{\text{Private kilometres}}{\text{Total kilometres}}$$

The number of private kilometres in the above formula is the sum of [(home / work commute x 2) x 200] + 6,000 kilometres.

A similar formula is provided in case fuel costs are borne by the employer through expense reimbursement.

Reference is made to the FAQ for two examples as well as for specific rules for hybrid and electric vehicles.

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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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