



Global Employer Services Individual tax

Update on mobility budget to be included in bill on “greenification” of mobility

Following further discussion and agreement by the social partners, an update to Belgium’s “mobility budget” was on 20 October 2021 added to the bill on the “greenification” of mobility designed to encourage environmentally friendly travel, after the second round of discussions in the Parliamentary Committee on Finance. The update was removed from the original bill pending further discussion (see [Deloitte alert dated 16 September 2021](#)).

The mobility budget 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 proposed updates are intended to extend the mobility solutions available within the mobility budget, simplify the application of the budget, and further transition the budget towards sustainable mobility.

The bill is expected to be submitted shortly to the plenary session of parliament for a vote. If approved, the new measures would come into force as from 1 January 2022, unless otherwise stated.

This alert summarises the key proposed measures to update the mobility budget legislation.

Extension of the available mobility alternatives

The proposals would extend 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 kilometres to 10 kilometres.

Updates to existing mobility budget

The main updates to the existing provisions of the mobility budget are intended to simplify the application of the mobility budget and to further streamline the budget in line with the objectives of the new bill for the greenification of mobility in Belgium:

- 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

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