



Global Employer Services

Individual tax

Mobility budget approved by Council of Ministers

On 29 September 2017, the Council of Ministers approved the pre-draft bill with respect to the mobility budget on the basis of which an employee can exchange his/her company car for a cash amount ([Dutch](#) | [French](#)).

Based on the pre-draft law, the mobility budget must have the following three characteristics:

- Its implementation must be voluntary, and both employers and employees must be free to choose whether they opt in or out
- It must be subject to a tax and social security regime that is as beneficial as that which currently applies to company cars
- It must be neutral for all parties involved (employer, employee and state)

The fundamental idea around the mobility budget is that an employee can exchange his/her company car for a lump sum cash amount. This cash amount corresponds to the economic value of the company car's free disposal (i.e. the cash allowance will amount to 20% of 6/7 of the car's list price, to be increased by a further 20% if the employees had a fuel card included with the company car).

[This slide deck](#), based on the pre-draft law, provides more information.

The next step will be the pre-draft law's submission to the Council of State.

Deloitte will closely monitor the legislative process and will provide an update as soon as the final text is available.

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