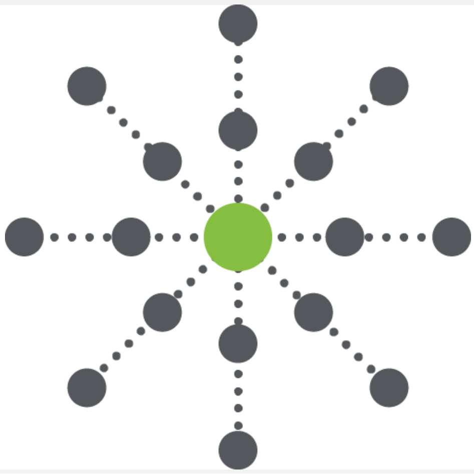
Belgium | Deloitte Tax | 02 October 2017



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.

Contacts

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

- Joël Lebersorg, jlebersorgs@deloitte.com, + 32 2 600 68 42
- Sofie Van Breedam, svanbreedam@deloitte.com, +32 2 600 67 93
- Frédéricq Jacquet, frjacquet@deloitte.com, + 32 2 600 65 29

For general inquiries, please contact:
bedeloittetax@deloitte.com, + 32 2 600 60 00

Be sure to visit us at our website:
http://www.deloitte.com/be/tax