



Global Employer Services

Individual tax

New tax measures from the new government: focus on the individual tax aspects

Belgium's federal government recently issued a snapshot of tax measures that will be included in the upcoming Program-law termed the "the Budget Preparation Act 2021" ([Dutch](#) | [French](#)), covering direct as well as indirect tax areas. What follows is an outline focused on the individual tax measures.

Indexation freeze

An indexation freeze will be in place during income years 2020 until 2023 for a number of tax expenditures. This means that the maximum amounts in a series of tax reductions/exemptions (e.g. dividend exoneration, purchase of electric car, gifts, etc.) over these four years will not be indexed and will remain fixed at 2019 levels. The only exception will be for pension savings, where maximum amounts will remain indexed in 2020 and the indexation freeze only starting as of 2021.

The normal annual indexation regime will restart as of income year 2024.

Family support

Tax reduction linked to childcare

As of income year 2020:

- The maximum amount per childcare day and per child will be raised to EUR 13 (instead of EUR 11.20).
- The age limit to benefit from the tax reduction for childcare is increased from 12 to 14 years old, and from 18 to 21 years old for heavily disabled children.
- Expenses incurred for home care of sick children will also result in a tax reduction.
- A specific attestation will be required.

For income year 2021, the maximum amount will be EUR 13.70 and will be further indexed on an annual basis.

Increased tax-free amount for family member caretakers

If a taxpayer is caretaker for a family member, a higher tax-free amount will be granted. Taxpayers can only benefit from this additional tax exemption if it concerns a dependent grandparent, parent, brother or sister over 65 years old. To determine whether a person is dependent and in need of special care, his or her degree of autonomy is taken into account.

Spontaneous tax regularisation

The spontaneous tax and social regularisation system enabling taxpayers to regularise illegal or fraudulent situations will come to end on 31 December 2023. Consequently and as of 2024, taxpayers with fraudulent behavior will be subject to administrative or criminal prosecution.

Taxpayer bank accounts

The Belgian National Bank's Central Point of Contact (CPC) will include data regarding the balance of bank accounts and financial contracts held by Belgian and non-Belgian taxpayers in Belgian financial institutions. Under certain conditions, the tax authorities can consult the CPC and request bank details of a taxpayer when there are indications of tax fraud, or in a tax recovery context.

Tax on securities accounts

In addition to the above, the Council of Ministers approved a pre-draft law introducing a new annual tax on securities accounts on 2 November 2020.

The new tax is an annual levy on the holding of a securities account, with the taxable base being the average value of taxable financial instruments held on that securities account. The 0.15% rate annual tax on securities accounts is only due if this average value exceeds EUR 1,000,000.

Further updates will be issued once additional information is published by the government.

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:

- Frédéricq Jacquet, frjacquet@deloitte.com, + 32 2 600 65 29
- Aurélie Michiels, amichiels@deloitte.com, + 32 2 600 65 36

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>

Deloitte Academy

Tax Tools and Publications



Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. Please see www.deloitte.com/about for a more detailed description of DTTL and its member firms.

Deloitte provides audit, tax and legal, consulting, and financial advisory services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries, Deloitte brings world-class capabilities and high-quality service to clients, delivering the insights they need to address their most complex business challenges. Deloitte has in the region of 225,000 professionals, all committed to becoming the standard of excellence.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the "Deloitte Network") is, by means of this communication, rendering professional advice or services. No entity in the Deloitte network shall be responsible for any loss whatsoever sustained by any person who relies on this communication.

© 2020. For information, contact Deloitte Belgium.

[Subscribe](#) | [Unsubscribe](#)