



## Corporate tax alert Belgium

### Tax authorities issue FAQs on Innovation Income Deduction

On 26 July 2018, the Belgian tax authorities published frequently asked questions (FAQ) on the application of the innovation income deduction (IID) regime, which replaced the previous patent income deduction (see our [Tax Alert](#) dated 21 February 2017). Under the IID regime, qualifying taxpayers may deduct 85% of qualifying net innovation income from the company's taxable base. The FAQs ([Dutch](#) | [French](#)) are published on [Fisconetplus](#). Registration on Fisconetplus is required to access the FAQs.

The FAQ clarifies certain provisions of the new regime.

We would like to highlight some of the interesting answers in the FAQ:

1. Question 3: The intellectual property (IP) for which the IID will be applied must be booked as an intangible fixed asset on the company's balance sheet. This requirement is not included in the IID law.
2. Question 7: Copyrighted software is eligible for the IID if it originates from a qualifying R&D project or program. The Income Tax Code does not require a taxpayer to obtain binding advice from the Science Policy Office (BELSPO), but the FAQ states that a taxpayer should request such advice if it intends to claim the IID on the relevant IP.
3. Question 9: Even though IP is only protected in one country, the global income related to the IP can be

taken into account for purposes of the IID provided the income is recognized in the results of the Belgian company.

4. Question 15: Benefits related to R&D incentives (such as grants and the payroll tax exemption for researchers) may not be deducted from R&D expenses. The gross amount of R&D expenses must be deducted from the gross innovation income.
5. Question 17: R&D expenses that are not directly related to the IP right do not have to be deducted from the gross innovation income. This includes interest expenses, building costs, as well as any other costs not directly related to the IP.

---

## 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:

- François Gevers, [fgevers@deloitte.com](mailto:fgevers@deloitte.com), + 32 2 600 6510
- Jan Pattyn, [jpattyn@deloitte.com](mailto:jpattyn@deloitte.com), +32 2 600 6855
- Renaud Hendricé, [rhendrice@deloitte.com](mailto:rhendrice@deloitte.com), + 32 2 600 6721

For general inquiries, please contact:  
[bedeloittetax@deloitte.com](mailto: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](http://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.

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