



VAT alert Belgium

Optional VAT on immovable letting: draft bill to be submitted to Parliament

Following the Council of State's remarks on initial texts regarding the optional VAT on immovable letting, the Belgian government considered several changes and has reached a consensus on the final texts. This VAT alert outlines these changes.

Changes in the final pre-draft of the bill:

- For buildings that will be constructed as of 1 October 2018, parties can subject their tenancy agreement to VAT. The option to tax enters into force as of 1 January 2019.
- The option to tax only needs to be included in the contract, without a need to notify the VAT authorities.
- The VAT recapture period for buildings leased with VAT under the new scheme will be increased to 25 years.
- Short-term rent is redefined as the letting of immovable goods for a period that does not exceed six months (previous drafts referred to a period of one year). Such contracts will be subject to VAT as required by law (no optional scheme). However, the letting of residential dwellings or premises exclusively used for private purposes, including student accommodation and holiday apartments, remains exempt from VAT. The same applies

for the letting of a property to a non-profit organisation or for socio-cultural purposes.

An outline of the new rules and their impact on different types of real estate can be consulted in a new brochure, which can be downloaded in Dutch or French from a dedicated page on the [Deloitte](#) and [Laga](#) websites.

Contact

- Danny Stas (Laga), dstas@laga.be, + 32 2 800 70 11
- Ivan Massin, imassin@deloitte.com, + 32 2 600 66 52
- Nancy Muyshondt (Laga), nmuyshondt@laga.be, +32 3 242 42 30
- Joaquim Heirman (Laga), jheirman@laga.be, + 32 2 800 71 27
- Lionel Wellekens, lwellekens@deloitte.com, +32 2 800 27 34

<http://www.deloitte.com/be/tax> | <http://www.laga.be>



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