



VAT alert Belgium

Guidance issued on VAT treatment of charging stations and charging of electric vehicles

On 20 December 2021, the Belgian VAT authorities published new administrative guidelines (Circular 2021/C/113, [Dutch](#) | [French](#)) on the VAT aspects related to the installation of charging stations for electric vehicles and supplies of goods and services related to these charging stations.

This guidance supplements the rules included in the law on the “greenification” of mobility in Belgium (see [Deloitte alert of 16 September 2021](#)) from an indirect tax perspective. In addition to this VAT guidance, a specific measure already has been taken to ensure that the charging of electric vehicles does not result in additional excise duty obligations. This alert summarises the key measures contained in the circular.

Installation of charging stations

The circular confirms that the installation of a freestanding charging station *on the ground* (for example alongside roads, or on a public or private parking area) should be considered as *work on immovable property*.

The installation of charging stations *in or joined to a building* (e.g., mounted on the wall) cannot be considered in its own right as work on immovable property, but can be assimilated to it as the charging stations become part of the electric installation of the building.

For installations at business premises, the installation works are subject to 21% VAT and the reverse charge mechanism for immovable works may be applied

provided all conditions are met. Companies generally will be able to deduct the full amount of input VAT incurred on the installation, as the 50% deduction limitation for car related expenses does not apply.

Where a business installs a charging station at an employee's home, the installation works may potentially benefit from the reduced VAT rate of 6% where the property is more than 10 years old. The tax authorities, however, take a strict approach on exactly *where* the charging station must be installed to benefit from the reduced rate. The reduced rate also applies where the employer bears the cost of the installation and the charging station remains the employer's property.

Unless the employer charges the employee for the use of the charging station, the VAT on the installation at the employee's home is deductible to the extent of the professional use of the vehicle; again the 50% limitation does not apply.

It is notable that the circular reflects a new and refined view of the tax authorities on the distinction for VAT purposes between benefits made available to the employee free of charge and benefits granted "for consideration." The latter does not only relate to the situation where an employee pays for the benefit or agrees to a reduction in net salary, but also to the situation where, as part of a "cafeteria" plan with a points system, an employee opts for a particular benefit with the consequence that they forfeit other benefits available under the plan. Nevertheless, for the sake of administrative simplification, only where a Belgian employer grants a benefit in exchange for a reduction in the gross salary of a Belgian employee, is the benefit considered as made available free of charge for VAT purposes.

Charging of electric vehicles

The Belgian VAT authorities acknowledge that the charging of an electric vehicle is a *supply of electricity*, not a service for VAT purposes. The circular provides an overview of how VAT applies in the supply chain of charge point operators, electric mobility providers, and customers.

Businesses can deduct the VAT on the charging costs to the extent of the professional use of the vehicle, based on the normal VAT deduction rules on company cars and with a maximum deduction of 50%.

Where charging takes place at the office and the electricity consumed by the charging stations cannot be distinguished from the other electricity consumption of the business, the deductible portion must be calculated *under the supervision of the tax authorities*.

Where charging takes place at an employee's home and the employer reimburses the employee for the electricity consumed in charging a company car, the VAT authorities explicitly acknowledge that the reimbursement is outside the scope of VAT and that the employer cannot deduct any VAT included in the reimbursed amount of the electricity cost initially incurred by the employee as a private individual.

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