



VAT alert Belgium

New tolerance to exempt cafeteria income from VAT

A number of taxpayers operating exempt services as per article 44 in the VAT code (i.e. hospitals, retirement homes, museums, etc.) can opt to exempt their cafeteria income from VAT if they qualify as "auxiliary".

A recent decision extends this tolerance to all type of meals (including fries, potatoes, etc.) and abolishes the condition that no other VAT taxable activities (e.g. parking facilities externally accessible to non-visitors) can be exercised. Moreover, exceeding the former 10% threshold up to 11% once every 5 years is allowed.

Please note that Public service centres (*OCMW dienstencentra / centres de services des CPAS*) are explicitly excluded from this tolerance.

Facilities such as hospitals, psychiatric clinics, retirement homes, concert organisers, museums operating a cafeteria should check whether the new conditions have an impact on the VAT treatment of their cafeteria and should also assess the overall VAT impact for the past (potential VAT revisions) and the future.

Deloitte can assist in the assessment and in finding the most optimal way to proceed.

Contacts

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

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