

New tax measures (July 2015)

Please find below a summary of the most relevant tax measures that have been agreed upon by the Belgian Federal Government. A first series of tax measures have already been enacted in the Program Act of July 24, 2015. A second series of tax measures have been agreed upon by the Federal Government.

A. The Program Act of July 24, 2015

1. The transparent treatment of legal structures in tax havens, the so called Cayman Tax, has been adopted by Parliament. You can find an overview of the content of the Cayman Tax in one of our previous memorandums.
2. Tax incentives for start-up businesses.
3. The Diamond tax regime, which establishes the determination of the taxable result from diamond trade by way of a percentage of 0.55% of the trade turnover. This tax regime must still be approved at the European level.
4. An increased investment deduction for small and medium enterprises (specifically for qualifying digital investments).
5. A modification of the liquidation reserve regime, which makes it possible, under very strict conditions, to pay out some capitalized reserves free of tax, if a preemptive tax of 10% has been levied upon the capitalization of the reserves.
6. The enactment of a “bank tax”, which limits the possibility of financial institutions (banks and insurance companies) to use certain elements in their tax returns, such as losses from previous years, as well as the “dividend received deduction” and the “notional interest deduction”.

B. The Tax shift (political agreement)

1. The raise of the tax rate on investment income, such as interests and dividends, from 25 % to 27 %.
2. A reduction of the employers social contributions from 33 % to 25 %.
3. A raise of the cost of “early retirement” (unemployment with complementary employment pay) for employers.
4. A raise of the VAT rate on electricity, from 6 % to 21 %.

5. A raise of the excise duties on diesel fuel, tobacco and alcohol.
6. The introduction of a sugar-tax, which will be levied on sugary drinks and other products (candy and biscuits).
7. The introduction of a speculation tax, which will tax the gains on listed shares, if they are sold within six months of the acquisition.
8. The introduction of a new, permanent fiscal regularization regime, as from 2017. The Government has not yet communicated what penalty rate will be applied.

Please do not hesitate to contact us, if you have any questions about these new tax measures.

August 7, 2015

Vandendijk & Partners