

## U.S. Companies Plead for Lower Corporate Rate in Belgium

By Linda A. Thompson

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1. Headline rate is set to drop to 25 percent in 2020
2. Tax adviser warns country is "running behind" neighbors

American companies in Belgium want the next federal government to further lower the country's corporate income tax rate to below 20 percent.

Following a major corporate tax reform agreed by Belgium's center-right government in 2017, the headline rate is set to drop to 25 percent in 2020. But U.S. companies with subsidiaries and affiliates in Belgium want the next government to go even further after the May 2019 general elections.

"To be more competitive with neighboring countries, we need a reduction below 20 percent" of the corporate rate, said An De Reymaeker, a partner at the Vandendijk & Partners law firm during a Feb. 19 press conference organized by the American Chamber of Commerce in Belgium.

Warning that high tax rates discourage foreign investments, De Reymaeker noted that the future 25 percent rate would still put Belgium above the EU average. "We are running behind our neighboring countries with regard to our general corporate income tax rate," she said.

Such a reduction would encourage those industries that already are strong in Belgium to make further investments, said Howard Liebman, president of AmCham. "Reducing the tax rate will spur investments by pharmaceutical companies, chemical and biochemical companies as well as draw more logistics centers and distribution centers to Belgium."

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