

New tax measures – The Tax shift (confirmed on October 10, 2015)

Please find below a summary of the most relevant tax measures that have been agreed upon by the Belgian Federal Government, as confirmed in the press release of October 10, 2015.

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. An increase of the lump sum tax deduction for professional costs.
4. An increase of the initial amount of tax free income.
5. A raise of the cost of “early retirement” (unemployment with complementary employment pay) for employers.
6. A raise of the VAT rate on electricity, from 6 % to 21 %.
7. A raise of the excise duties on diesel fuel, tobacco and alcohol.
8. The introduction of a sugar-tax, which will be levied on sugary drinks and other products (candy and biscuits).
9. The introduction of a speculation tax, which will tax the gains on listed shares, if they are sold within six months of the acquisition, at a flat tax rate of 33 %.
10. An increase of the stock exchange tax.
11. The introduction of a new, permanent fiscal regularization regime, as from **2016**. The Government has not yet communicated what penalty rate will be applied.

A first series of tax measures have already been enacted in the Program Act of July 24, 2015, which included the Transparency Tax.

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

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