



### ***Taxation of corporation***

#### **Corporate tax**

- Tax payer

all companies resident in Belgium and Belgian-source profits of non-resident companies

- Tax base

global income disclosed in the financial statements adjusted with + or – items for tax purposes dividends received are tax-exempt for 95% capital gains on shares are tax-exempt; losses on shares are not deductible for tax purposes

- Tax loss

unlimited tax loss carry forward no tax loss carry back

- Rate

normal rate 33%

3% crisis-extra charge on 33%

for resident companies with taxable income below €322.500,00, a lower rate of 24,25% + 3% crisis- extra charge applies

#### **Other profit tax**

none

#### **Property tax**

local property tax on real estate

#### **Payroll tax**

none

#### **Social security contributions**



## European Tax Survey – Belgium

on salaries, the company has to pay 32,50% - 34,40% social security contributions for employees and 38,50% - 39,25% for labour workers

### **Tax at source**

15% or 25% on dividends, 0% if the shareholder owns more than 25% of the shares  
15% on interests, 0% between companies

### **Country specific rules**



### ***Taxation of natural persons***

#### ***Income tax***

- Tax payer

all natural persons resident in Belgium and non-residents on their Belgian-source income

- Tax base

global income

four types of income : income from mobile assets including dividends, interest, licence fees; income from property;

income from professional activity; income from salaries or pensions; other income

#### ***./. deductions***

lump sum of maximum €3.050,00 on salaries or real professional expenses; interest on property and life insurance premiums are also deductible

#### ***./. tax allowance***

from tax year 2005 on, all income is taxed separately per person

allowance per person : €5.780,00 per person

allowance for children : from €1.230,00 to €4.370,00 per child

allowance for other persons : €1.230,00 per person

- Losses

may be carried forward indefinitely, no carry back

- Rate

rate rises in seven steps from 25% to 50%

#### **Other profit taxes**

municipalities levy surcharge on national income tax between 0% and 8,5% depending the domicile



### Property tax

local property tax on real estate

### Wage tax

deducted from taxable salary (after deduction of social charges)  
same tariff as income tax (see above)

### Social security contributions

- Payer

self-employed persons:

income three years ago; minimum contribution €1.901,52 per year, maximum  
€12.458,04 per year; rates approx. 19,65%

employee:

Based on gross income

- Rate: 13,07%

### Pay-as-you-earn deductions

5% or 25% (bearer shares) on dividends, 15% on interest

### Wealth tax

None



### Death duty/gift tax

- Payer

inheritor/recipient

- Tax base

death duty : global wealth

gift tax : according to a registered deed of donation

- Rate

tax rates vary with degree of relationship between donator/deceased and recipient/inheritor

### Tax sales

- Tax Payer

tax rates vary with degree of relationship between donator/deceased and recipient/inheritor

- Tax base

total price of good/charge for service

- Rate

normal rate : 21%

lower rates : 0% newspapers, cigarettes, gold

6% for basic necessities, labour intensive services and renovation of houses