

**VANDELANOTTE
INFORMS**

Deductible
business expenses
2024

VANDELANOTTE INFORMS

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1. PRIVATE VEHICLES

EXPENSE TYPE DESCRIPTION	INCOME TAX	VAT
<p>General rules</p>	<p>Corporate income tax</p> <p>Deduction rate: $120\% - [0.5\% \times \text{grams CO}_2 \times \text{fuel type coefficient}] = \text{min. } 50\% - \text{max. } 100\%$</p> <p>CO2 emissions ≥ 200 g/km: 40% Note : even if no CO2 data is known to DIV</p> <p>False hybrid: CO2 emissions of corresponding vehicle (e.g. cars purchased, leased or rented before 01/01/2018) If no corresponding vehicle exists that is exclusively fitted with an engine using this same fuel, the emission value is multiplied by 2.5.</p> <p>Fuel coefficient:</p> <ul style="list-style-type: none"> - the fuel coefficient is equal to 1 for vehicles with only a diesel engine; - for vehicles with a natural gas engine (CNG) and a load capacity of less than 12 tax horsepower, the fuel coefficient is 0.90; - for vehicles with another engine such as a petrol engine (including petrol hybrid), LPG, biofuel, electric engine, diesel hybrids or others, the fuel coefficient amounts to 0.95. <p>Tax deduction for electric vehicles : 100%</p> <p>17% of benefit in kind is rejected. This increases to 40% if the employer assumes the cost of fuel.</p> <p>Personal income tax</p> <ul style="list-style-type: none"> • formula applied to business expenses; • vehicles purchased before 01/01/2018 retain a minimum deduction of 75% unless CO2 emissions ≥ 200 g/km: 40%. <p>Commuting: limited to €0.15/km</p>	<p>Max. 50% deductible :</p> <ul style="list-style-type: none"> • deductibility limited to business use with a max. of 50%; • change in private/business use ratio also affects right of deduction. <p>3 methods for calculating deductions:</p> <ol style="list-style-type: none"> 1. actual business use: records of trips per mode of transport (can be automatic or manual); 2. semi-flat rate: $\% \text{ private} = (\text{commuting distance} \times 2 \times 200 + 6000) / \text{total kilometres driven}$; 3. overall flat rate of 35%. <p>Note 1: Methods 1 and 2 may be used in combination. When choosing one particular method, this applies for an entire financial year. Another option is to opt for an overall % per vehicle category. Method 3 applies to all vehicles (other than those referred to in Article 45,§2, second paragraph, parts A through E) of the Belgian Law on VAT) and for a period of four years.</p> <p>Note 2: different method for (fiscal) light-duty trucks.</p>

EXPENSE TYPE DESCRIPTION	INCOME TAX	VAT
Specific rules		
Non-deductible VAT	Deductible as per general rule	Not applicable
Vehicle registration tax	Deductible as per general rule	Not applicable
Maintenance and repair expenses (including following accidents), car safety expenses, inspection, breakdown assistance, air conditioning, alarm, GPS and other accessories	Deductible as per general rule	Max. 50% deductible Note: deduction limit does not apply to mobile GPS devices.
Fuel expenses (diesel, benzine, electricity and LPG) and add-ons	Deductible as per general rule Plug-in hybrids purchased starting from 1 January 2023: fuel expenses (excluding electricity) max. 50% deductible	Max. 50% deductible Conditional on submission of invoice Receipts alone do not give right to deduction
Toll fees	Deductible as per general rule	Max. 50% deductible Conditional on submission of invoice
Carwash	Deductible as per general rule	Max. 50% deductible Conditional on submission of invoice
Expenses incurred for storing fuel (storage tanks and proprietary pumps)	100% deductible	100% deductible
Traffic fines	See fines	Not applicable
Application of publicity and advertising materials (i.e. using paint or non-removable signs)	Deductible as per general rule	100% deductible
Building parking (own vehicle)	100% deductible	100% deductible
Client, supplier and employee parking	100% deductible Employee parking only pertains to employees' own personal vehicles. In the case of company vehicles, deductions will be made according to the general rule.	100% deductible
Taxi expenses (business travel)	75% deductible	100% deductible if purely for business purposes Note: if this falls under hospitality and receptions expenses: different rules apply.
Hands-free kit and associated installation expenses	100% deductible	Max. 50% deductible
Speed camera detectors (e.g. Coyote)	Deductible as per general rule	100% deductible

EXPENSE TYPE DESCRIPTION	INCOME TAX	VAT
Finance expenses	100% deductible	Deductibility is limited to business use with a max. of 50%
Rent, lease, hire, etc.	Deductible as per general rule Note: financial expenses are only 100% deductible provided the contract term is of min. 24 months and that a separate entry appears on the invoice.	VAT max. 50% deductible
Billable expenses	Billable vehicle expenses are 100% deductible on behalf of the issuer of said invoice, provided that these expenses are for the same amount (not flat-rate), explicitly and separately stated on the invoice. The deduction limit applies only to the end user (recipient of the invoice).	Invoice issuer: <ul style="list-style-type: none"> 50% deductible for invoice issuer; only 100% deductible if billable to affiliated company. Invoice recipient: <ul style="list-style-type: none"> secondary items follow main item: 100% deductible; Billable expense as such: limited to max. 50% if subject to business use; note: the purchase of or services relating to any private vehicle on hire between affiliated companies: 100% on the part of the lessor if it is for regular activity.
Capital gains on sale of private vehicle	Limited taxable % = total amortisation assumed for sale for tax purposes/ total recognised amortisation Note: staggered taxation is possible provided conditions are met (already 5 years as a fixed asset, qualifying reinvestment)	Not applicable
Loss on sale of private vehicle	Limited deductible % = total amortisation assumed for sale for tax purposes/ total recognised amortisation	Not applicable
Overseas vehicle expenses	General rules	VAT recoupable according to applicable overseas rules
Reimbursement of vehicle expenses to employees, directors or managing directors	General rules Reimbursed expenses designated as benefit in kind or commuter allowance (and listed on payslip): 100% deductible	Not applicable

EXPENSE TYPE DESCRIPTION	INCOME TAX	VAT
40% of the benefit in kind (if fuel expenses are not borne by the employer, this amounts to 17%)	Non-deductible	Not applicable
Charging stations for electric vehicles	<p>100% deductible</p> <p>Temporarily increased cost deduction for investments:</p> <ul style="list-style-type: none"> • 01/09/2021 to 31/03/2023: 200 % • 01/04/2023 to 31/08/2024: 150% <p>Conditions increased cost deduction for charging stations:</p> <ul style="list-style-type: none"> • have been obtained or established in a new state; • be publicly accessible; • be intelligent; • depreciated linearly over at 5 five taxable periods; • no application investment deduction. <p>The increased cost deduction is processed (fiscally) into the corporate income tax return. Nothing needs to occur in terms of accounting.</p>	<p>100% deductible if the installation is used exclusively to carry out VAT-taxable operations as part of economic activity. Note: no deduction for gratuitous third-party use.</p> <p>In case of free provision to an employee, the deduction is limited to the amount of business use of the electric vehicle provided to the employee.</p> <p>Note 1: deduction limit of max. 50% does not apply here.</p> <p>Note 2: no deduction limit if the employee obtains the charging point at home in return for payment (e.g. if leased by the employer).</p>
Solidarity contribution/CO2 contribution	100% deductible	Not applicable

2. CORPORATE GIFTS

EXPENSE TYPE DESCRIPTION	INCOME TAX	VAT
General rules	50% deductible Non-deductible VAT is also 50% deductible.	Cost < €50 (excl. VAT)/gift: VAT deductible Cost > €50 (excl. VAT)/gift: VAT non-deductible Note: not entitled to deduction if two or more gifts below €50, gifted together to the same recipient, exceed €50.
Specific rules		
Wine and aperitifs	50% deductible Non-deductible VAT is also 50% deductible.	General rules
Tobacco products and spirits (+22°)	50% deductible	In general, VAT never deductible, Unless: <ul style="list-style-type: none"> intended for resale; intended for processing into food and beverages for sale; intended for on-site consumption or processing into food and beverages to be consumed on-site; intended to be offered to customers or potential customers as a trade sample; intended to be used in the context of a tasting.
Individual gifts to employees	Not deductible (unless listed on payslip)	VAT non-deductible
Foreign business travel with gifts	Gifts handed over during foreign business trips are 100% deductible. It makes no difference whether the gifts were purchased in Belgium or abroad.	General rules
Advertising materials	If the name of the donor is permanently and prominently on show, it is considered a consumer item of low value and widely distributed: 100% deductible	100% deductible under the same income tax conditions. (special arrangement for joint offers)

EXPENSE TYPE DESCRIPTION	INCOME TAX	VAT
Trade samples	100% deductible if it concerns products sold by the company itself	<p>100% deductible provided that:</p> <ul style="list-style-type: none"> the nature of the goods distributed does not differ from the goods sold or manufactured by the company; not necessarily contained in any special packaging; not necessarily with any explicit reference. <p>Note: caution if goods have same packaging: proof of distribution required.</p>
Sponsorship	100% deductible in the case of publicity	<p>Paid sponsorship:</p> <ul style="list-style-type: none"> in return for publicity: VAT applicable (unless sponsored = exempt or non-taxable). VAT on advertising invoice deductible; without compensation: no VAT implications. <p>Sponsorship in kind:</p> <ul style="list-style-type: none"> in exchange for publicity: exchange (mutual) billing required with VAT (unless exempt); without compensation: VAT adjustment on relinquished goods.
Mail-order gift items	100% deductible if awarded alongside customer purchases	VAT deduction dependent on specific situation. Pay close attention to regulations on joint offers!
Admission ticket/subscription to cultural or sports events for business relations	100% deductible if regarded as advertising expenses (demonstrate publicity grounds).	Non-deductible.
Day trips with employees (travelling by coach)	100% deductible	100% deductible
Day trips with retired employees (travelling by coach)	Non-deductible	Non-deductible
Tombola gifts and approved lottery draws	100% deductible	Non-deductible
Gifts to employees (social and collective) on the occasion of Saint Nicholas, Christmas, birthdays, etc. in the form of benefits in kind, cash or gift vouchers	<p>Deductible up to €40 per year per employee</p> <p>On the occasion of Saint Nicholas celebrations or any other celebration with the same social purpose: additional amount of max. €40 per year for any dependent children of the employees.</p>	<p>VAT deductible if:</p> <ul style="list-style-type: none"> in accordance with the general rule (< €50); gifts are of a collective nature; considered a social benefit for income tax purposes; no tobacco products or spirits.

EXPENSE TYPE DESCRIPTION	INCOME TAX	VAT
<p>Gifts (social and collective) on the occasion of an honourable award to an employee as a benefit in kind, cash or gift certificate</p>	<p>Deductible for max. €120 per year per employee;</p>	<p>VAT deductible if:</p> <ul style="list-style-type: none"> • in accordance with the general rule (< €50 VAT. excl.); • gifts are of a collective nature; • considered a social benefit for income tax purposes; • no tobacco products or spirits.
<p>Gifts (social and collective) on the occasion of an employee's retirement as a benefit in kind, cash or gift certificate</p>	<p>Deductible for max. €40 per full year of service that the employee was employed with a minimum of €120.</p> <p>In the event of the employee taking full early retirement, the employer may give one or more gifts insofar as the amount is no greater than €40 for each full year of service (up to early retirement) with a minimum of €120. From that point onwards, deductible gifts can no longer be assigned in the event the employee retires later.</p>	<p>VAT deductible if:</p> <ul style="list-style-type: none"> • in accordance with the general rule (< €50 VAT. excl.); • gifts are of a collective nature; • considered a social benefit for income tax purposes; • no tobacco products or spirits.
<p>Billable expenses</p>	<p>In principle: 50% limit for whoever passes on the cost.</p> <p>Exception: 50% limit for the party to whom the cost is passed on to on a one-to-one basis, provided explicit and separate mention of it to the invoice. 100% deductible for the issuer.</p>	<p>100% deductible if secondary to the main transaction for the invoice recipient, not deductible for the invoice issuer.</p> <p>If corporate gift is the main item: non-deductible for recipient, 100% deductible for issuer.</p>

3. HOSPITALITY AND RECEPTION EXPENSES

EXPENSE TYPE DESCRIPTION	INCOME TAX	VAT
General rules	50% deductible Non-deductible VAT is also 50% deductible	VAT non-deductible
Specific rules		
Receiving employees on the occasion of Saint Nicholas, Christmas, New Year, Patron Saint's Day celebration, retirement, etc.	100% deductible if organised only once a year	VAT 100% deductible: if entirely catered (preparation and serving of food and drink) by own employees. If food and drink prepared by employees is served by restaurant staff or caterer: deduction on food and drink, but no VAT deduction for the caterer/restaurant owner. If the caterer or restaurateur serves their own food and drink (total service), VAT is completely non-deductible. Note: entitled to deduction if spouses are present. No deduction for spirits, tobacco products or accommodation.
Promotional events, product launches, open days and demonstrations (publicity purposes)	<ul style="list-style-type: none"> 50% deductible 100% deductible for expenses relating to premises, amortisations, personnel, furniture, etc. 100% deduction for cost of goods and promotional items 	VAT non-deductible for expenses incurred to create a generally positive atmosphere around the company. VAT 100% deductible on expenses related to direct sales and publicity for specified costs and services.
Wedding receptions	50% deductible Note: deductible to the amount required for the business part, to be proved via list of invited relatives. There are ongoing discussions between the administration and the judiciary, so dependant on the outcome.	VAT non-deductible
Weddings	Restaurant expenses: 69% Note: deductible to the amount required for the business part, to be proved via list of invited relatives. Private receptions hold no business relevance.	VAT non-deductible

EXPENSE TYPE DESCRIPTION	INCOME TAX	VAT
Flowers for decorating company premises (including offices, waiting rooms and reception areas)	<ul style="list-style-type: none"> • 100% deductible if within the office space • 50% deductible for flowers in reception areas 	<p>100% deductible</p> <p>Also for goods used to decorate reception areas and waiting rooms.</p>
Service club charges and membership fees (Lions, Rotary, etc.)	<p>Non-deductible</p> <p>Note: 50% deductible if it can be demonstrated that membership is required to establish contacts and maintain relationships from which taxable business income may arise.</p>	<p>Not applicable</p>
Professional body membership fees	<p>100% deductible</p>	<p>Not applicable</p>
Guard dogs for and in the company	<p>100% deductible</p> <p>Dog maintenance expenses (food, veterinary consultations); also 100% deductible.</p>	<p>100% deductible</p> <p>Maintenance costs also 100% deductible (question 228 by Mr de Clippele dated 21/09/1992).</p>
Billable expenses	<p>In principle: 50% limit for whoever passes on the cost.</p> <p>Exception: 50% limit for the party to whom the cost is passed on to on a one-to-one basis, provided explicit and separate mention of it to the invoice. 100% deductible for the issuer.</p>	<p>100% deductible if secondary to the main transaction for the invoice recipient, not deductible for the invoice issuer.</p> <p>If the cost of the reception is the principal expense: non-deductible for the recipient, 100% deductible for the issuer.</p>

4. RESTAURANT EXPENSES

EXPENSE TYPE DESCRIPTION	INCOME TAX	VAT
General rules	69% deductible. Non-deductible VAT is also 69% deductible.	VAT non-deductible
Specific rules		
Restaurant expenses on weekends and public holidays	69% deductible provided business relevance is proven	VAT non-deductible
Restaurant expenses overseas (we are not talking simply grabbing a bite just over the border here)	69% deductible.	VAT recoupable in accordance with applicable overseas rules and restrictions.
Restaurant expenses incurred by employees working outside the company on assignment	100% deductible for employees working over 6 hours in a day.	100% deductible Conditional: invoice necessary, VAT receipt not sufficient.
Billable expenses	In principle: 69% limit for whoever passes on the cost. Exception: 69% limit for the party to whom the cost is passed on to on a one-to-one basis, provided explicit and separate mention of it to the invoice. 100% deductible for the issuer.	100% deductible if secondary to the main transaction for the invoice recipient, not deductible for the invoice issuer. If restaurant expense is the main item: non-deductible for recipient, 100% deductible for issuer.
Weddings	69% deductible for restaurant expenses. 100% deductible for the remaining expenses. Note: deductible to the amount required for the business part, to be proved via list of invited relatives. Private receptions hold no business relevance.	VAT non-deductible
Free and collective dispensing of coffee, soup, tea, soft drinks, etc. to employees	100% deductible	100% deductible
Food industry representative in a supplier-customer relationship at a dinner with a potential customer, along with demonstration and tasting expenses	100% deductible	VAT non-deductible

EXPENSE TYPE DESCRIPTION	INCOME TAX	VAT
Social meals for employees in company canteen	<p>100% deductible subject to min. employee contribution of €1.09.</p> <p>If less than €1.09 contributed: the employee contribution x number of meals not deductible as a social benefit.</p>	Company performs its activity as a restaurant and is liable for VAT on the provision of meals. In such context, VAT on expenses is 100% deductible
Providing meals to executives and/or business associates	<p>69% deductible for restaurant expenses</p> <p>Note: If fully billable: 100% deductible</p>	<p>VAT non-deductible if no charge.</p> <p>If fee is charged = restaurant activity, therefore VAT on expenses is deductible.</p>
Restaurant expenses for the entire staff organised on the occasion of St Nicholas, Christmas, retirement, etc.	<p>100% deductible if organised only once a year (except for retirement).</p> <p>Condition: It is organised for all employees at a low cost, as well as being social in nature and non-exclusive.</p> <p>If not: 100% dismissed as social benefit.</p>	VAT non-deductible
Restaurant expenses for study day, seminar, etc.	69% deductible if restaurant expenses are invoiced separately. If a global invoice is issued, there is a risk that the entire invoice will be subject to the deduction limit.	<ul style="list-style-type: none"> • If meal secondary in nature (max. 15% of total seminar cost): invoice with 21% and full right of deduction. • If meal is major part of proceedings (>15%): invoice with 21% (seminar + drinks) and 12% (meal). Only entitled to deduction for seminar.

EXPENSE TYPE DESCRIPTION	INCOME TAX	VAT
Restaurant expenses included in hotel bills	69% deductible if restaurant expenses are invoiced separately. If a global invoice is issued, there is a risk that the entire invoice will be subject to the deduction limit.	VAT non-deductible Exceptions: 1. meal expenses incurred by employees outside the company entrusted with delivery or performance of service; 2. billable meal expenses. Condition: for the deduction, the company must have a correct invoice.
Free drinks on the occasion of restaurant or café opening	69% deductible.	VAT non-deductible
Restaurant expenses for cultural and sporting events	69% deductible. Other expenses (e.g. admission tickets): 100% deductible as publicity expenses. Condition: company name must be clearly visible.	VAT non-deductible

5. FINES

EXPENSE TYPE DESCRIPTION	INCOME TAX	VAT
General rules	Non-deductible	Not applicable
Specific rules		
Proportional VAT fines	Non-deductible	Not applicable
Non-proportional VAT fines	Non-deductible	Not applicable
Parking fines (does not equate to parking expenses, such as parking day rates)	Non-deductible	Not applicable
Parking day rates (equate to parking expenses such as parking day rates)	These constitute vehicle expenses, not fines, and therefore subject to vehicle-related deduction limit.	Not applicable
Traffic fines and out-of-court settlements	Non-deductible	Not applicable
Employee traffic fines	Non-deductible Risk of being hit by hidden commission Note: fines are, however, 100% deductible if included as a benefit in kind on the employee's payslip.	Not applicable
Fine for late submission of yearly financial statements	Non-deductible	Not applicable
Hidden commission fees	Non-deductible	Not applicable

6. SOCIAL BENEFITS

EXPENSE TYPE DESCRIPTION	INCOME TAX	VAT
General rules	Non-deductible	VAT non-deductible if private in nature, but VAT deductible if collective in nature
Specific rules		
Occasional use of company accommodation by employees for sport, culture or leisure activities	100% deductible	VAT 100% deductible Condition: it pertains to a collective social benefit.
Specific professional training for employees	100% deductible	100% deductible
Complimentary commuting for employees by coach	100% deductible	100% deductible
Company bicycle	100% deductible (in personal income tax, deductibility can be 120%) Condition: bicycles are provided to employees to be used for commuting.	Deductibility limited to business use
Marriage bonus (benefit in kind, cash or gift voucher)	100% deductible Condition: must not exceed €245 (can also apply to legal cohabitation). Note: if amount is exceeded, then only the excess will be taxable as a benefit in kind.	Not applicable
Meal vouchers	Employer contributions are deductible to the amount of €2 as long as the employee pays min. €1.09 when using the voucher. Note: no cumulative expense allowance for the same meal on the same day.	VAT charged on the issuing firm's commission is 100% deductible

EXPENSE TYPE DESCRIPTION	INCOME TAX	VAT
Sports and cultural vouchers	<p>Not deductible for the employer. Exempt social benefit for employees and managers provided that:</p> <ul style="list-style-type: none"> • granting set out in collective or individual agreement; • vouchers in the name of the employee/manager; • vouchers valid for max. 15 months; • total amount €100 per year per employee; • not redeemable for cash; • no substitution for wages. 	Not applicable
'Ecocheques'	<p>Non-deductible for employer. Exempt social benefit for employees and managers provided that:</p> <ul style="list-style-type: none"> • granting set out in collective or individual agreement; • agreement must determine highest face value of voucher, with max. €10 per voucher along with the frequency of its allocation throughout a calendar year; • vouchers in the name of the employee or manager; • valid for max. 24 months; • for purchasing eco-friendly products or services only; • valid for max. €250 per year per employee; • not redeemable for cash; • not as a substitute for wages. 	Not applicable

EXPENSE TYPE DESCRIPTION	INCOME TAX	VAT
<p>Seniority bonus (benefit in kind, cash or gift voucher)</p>	<p>Non-deductible for employer. Exempt social benefit for employee, granted max. twice over the course of a career:</p> <ul style="list-style-type: none"> • first time at the earliest in the calendar year in which the employee has been employed by the employer for 25 years and at max. one time the employee's gross monthly salary (before deduction of social security contributions) or max. one time the average gross monthly salary within the company; • second time at the earliest in calendar year in which the employee has been employed by the employer for 35 years and at max. twice the employee's gross monthly salary (before deduction of social security contributions) or max. twice the average gross monthly salary within the company. <p>If limit amounts are exceeded, only the excess is taxed to the employee as benefit in kind.</p> <p>Note: if these conditions are not met, benefit in kind for the employee and a deductible professional expense for the employer.</p>	<p>Not applicable</p>

7. OTHER EXPENSES

EXPENSE TYPE DESCRIPTION	INCOME TAX	VAT
Works of art	Non-deductible	VAT non-deductible if purchased as an investment, whose value does not decrease as a result of use. Note: if VAT is non-deductible, then any subsequent resale can also be made without VAT. No deduction where a special profit margin scheme applies to purchase.
Unreasonable expenses	Non-deductible, but dependent on the outcome!	Non-deductible, but dependent on the outcome!
Non-specific professional attire	Non-deductible Exception: deduction limit for the party to whom the cost is passed on to on a one-to-one basis, provided explicit and separate mention of it to the invoice. 100% deductible for the issuer.	Non-deductible Billable expenses: <ul style="list-style-type: none"> • 100% deductible if secondary to the main transaction for the invoice recipient, not deductible for the invoice issuer. • if the cost of the non-specific professional attire is the principal expense: non-deductible for the recipient, 100% deductible for the issuer
Specialised publications	100% deductible Condition: publication should be beneficial for practice of the profession in question.	100% deductible Condition: publication should be beneficial for practice of the profession in question.
Acquisition costs of sites or land (notary fees, appraisal costs, etc.)	Immediately and 100% eligible as business expenses	VAT on any costs is 100% deductible
Property tax	Business component 100% deductible	Not applicable
Hospitalisation insurance	Non-deductible	Not applicable
Phone bill: reimbursement to employees	100% deductible if reported as costs proper to the employer, form 281	Not deductible if invoice made out in name of the employee
Insurance against loss of earnings	100% deductible	Not applicable

EXPENSE TYPE DESCRIPTION	INCOME TAX	VAT
Mutuelle excess contributions	Non-deductible	Not applicable
Regional taxes, levies and fees as well as related increases, surcharges, costs and interest on arrears (excluding certain financing and regional taxes)	Non-deductible Exceptions: taxes on betting and gambling, inheritance, gifts, etc.	Not applicable
Mobile subscription	Deductible to the extent (%) of business use	Deductible to the extent (%) of business use
Tax on boarding an aircraft	Non-deductible	Not applicable

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