



Investment deduction R&D

Companies that invest in Research and Development (R&D) can benefit from a tax deduction. This deduction applies to investments in patents and environmentally friendly investments.

Conditions?

As a general rule, this must relate to tangible or intangible fixed assets that were acquired new or that were created. In Belgium, these assets must only be used to perform professional activities and must be depreciable over at least three years. Leasing is also eligible.

The following investments are excluded from the investment deduction:

- Fixed assets of which the right of use has been transferred to a third party through leasing, leasehold, or superficies agreement, if the assets are depreciable for the company that has acquired the right;
- the additional charges if they are not amortised along with the assets to which they relate;
- passenger cars and cars for dual use;
- fixed assets of which the right of use has been transferred to a third party through rental (apart from to natural persons who use this for an independent activity).
- Please note, since tax year 2007, companies must choose between the increased investment allowance on the one hand and tax credit on the other hand.

Benefits?

The investment deduction can be granted as a one-off or spread over time. The unused deduction is transferable to future tax years, but cannot be paid back.

- One-off: acquisition cost of investment x 13.5% (tax year 20).
- Spread over time: depreciation x 20.5% (tax year 20)

(Comment: in respect of SMEs, an investment deduction of 20% for all investments acquired or established between 1/1/2018 and 31/12/2019 applies, other than digital investments and investments in security.)

Contact your accountmanager or one of our specialists at contact@vdl.be.