

## Belgium Tax Knowledgebase

### Employee personal income tax

#### Tax residence

For federal income tax purposes, a person is considered a resident in Belgium if their home (domicile) is in Belgium during the tax year. This is based on real-life facts and typically aligns with the location where a person has their primary personal and family interests. If someone is married, their home is where their family lives.

Additionally, a person registered in the national register (for example, someone with a work permit or, if from the EEA, a residence permit) is typically considered to be living in Belgium, unless they can demonstrate otherwise.

If someone does not have a home in Belgium, they can still be seen as a Belgian tax resident if their "centre of economic interests" (the place where they manage their personal wealth or assets) is in Belgium.

For regional income tax, the person's home on January 1st of the tax year decides which regional system applies: Brussels, Flanders, or Wallonia.

In short, individuals who reside in Belgium are considered tax residents. They must pay taxes in Belgium on all their income, regardless of its source. Taxation happens at three levels: federal (national), regional (depending on the region), and local (communal).

#### Conditions for the obligation to file the PIT

In Belgium, all individuals considered tax residents are required to file a personal income tax return (IPP) every year, unless they receive a proposal for a simplified tax return ("proposition de déclaration simplifiée") and agree with its content.

You are required to file a tax return if:

- You received taxable income during the year (for example: salaries, business profits, pensions, rental income, etc.).
- You received a proposal for a simplified tax return, and it contains errors or incomplete information.
- You had foreign income that must be reported.

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- You hold foreign bank accounts, insurance policies, or real estate that must be declared.
- You did not receive a simplified tax return proposal, and you are a tax resident.
- You are self-employed and therefore must make advance estimated tax payments throughout the year.
- You became a new tax resident in Belgium and must declare all real estate owned abroad at the time of becoming a resident.

## How to file the tax return?

You can file the return:

- In paper format (if sent to you by post).
- Through Tax-on-Web, the online system accessible with your Belgian electronic ID card or the Itsme app.

Filing online is easier and allows you to access pre-filled information from the tax authorities, which reduces the risk of errors.

## What if you receive a simplified tax return proposal?

If you receive a "proposal for a simplified tax return" (in Dutch: voorstel van vereenvoudigde aangifte), you only need to take action if there are errors or missing information. If all the information is correct, you do not need to do anything. The proposal will be considered your official tax return.

### **Other important points:**

- Employees and company directors are subject to withholding at source through the payroll system (précompte professionnel). Still, individuals with a split payroll between multiple countries may need to pay additional taxes.
- Individuals with complex tax situations or special cases (such as non-residents) may have different filing requirements.
- After filing, the tax authority issues an assessment notice indicating the amount to be paid or refunded.

## Tax report in question (Form name)

Déclaration à l'impôt des personnes physiques" (IPP) - Personal income tax declaration (IPP).

## Tax year

In Belgium, the fiscal year aligns with the calendar year, spanning from January 1 to December 31. Tax declarations for a given income year ('x') are submitted in the following year ('x+1'), which is referred to as the tax year (for example, income earned in 2023 is declared in 2024). The tax authorities must issue the assessment notice no later than 30 June of the second year following the income year ('x+2').

## Tax rates

Income tax rates in Belgium (tax year 2024)

Belgium applies a progressive tax system, which means that the higher your income, the higher the applicable tax rate. Your income is not taxed at a single rate. Instead, it is divided into brackets, and each bracket is taxed at a different percentage.

For the 2024 tax year (assessment in 2025), the applicable tax rates are as follows:

- The first portion of income, up to EUR 15,820, is taxed at 25 per cent.
- The portion between EUR 15,820 and EUR 27,920 is taxed at 40 per cent.
- The portion between EUR 27,920 and EUR 48,320 is taxed at 45 per cent.
- All income exceeding EUR 48,320 is taxed at 50 per cent.

Additionally, certain types of income are not included in the total taxable income and are taxed separately at a flat rate. For example, income from the collaborative economy is taxed at a flat rate of 20 per cent within certain limits. However, if it is more advantageous for the taxpayer, it is possible to include these earnings in the total taxable income so they are taxed together with the rest.

## Tax returns and payment of tax

### Deadlines:

- 30 June 2025: if you return the documents to us by post (paper tax return form or paper modification form in case of a proposal for a simplified tax return).
- 15 July 2025: if you use MyMinfin (Tax-on-web) to file your tax return or modify your proposal for a simplified tax return.
- 16 October 2025: if you use MyMinfin (Tax-on-web) to enter your return, and you declare specific income (income as a self-employed person, foreign professional income, etc.).

You have two payment options – online with MyMinfin or by bank transfer. If you no longer live in Belgium, you can pay by SEPA bank transfer.

## Personal deductions (salary)

- **Maintenance payments (Alimony):** 80 per cent of maintenance payments to close relatives or a separated spouse are deductible. Non-residents can only deduct payments if the recipient lives in Belgium, unless a tax treaty says otherwise.
- **Tax reductions:** Some personal expenses give the right to a tax reduction, both at the federal and regional levels:
  - **Federal level:**
    - Contributions to retirement savings: up to 1,050 or 1,350 EUR, depending on the tax reduction rate (30% or 25%).
    - Employee contributions to collective insurance: 30% reduction.
    - Charitable donations of at least 40 EUR to recognised EEA institutions: 45% reduction.
    - Life insurance premiums: 30% reduction, up to 2,530 EUR.
    - Household staff expenses: 30% reduction, with conditions.
    - Childcare expenses: 45% reduction, up to 16.90 EUR per day (for children under 14).
  - **Regional level:**
    - Mortgage loan capital repayments.
    - Payments to local employment agencies or paid with service vouchers.
    - Investment in security against theft or fire.
    - Costs for the maintenance and renovation of certain real estate.

## Additional tax reliefs (not mentioned above)

**Personal exemptions:** Some amounts are also deducted from income before tax is calculated:

**General exemption:** Each taxpayer has a basic exemption of 10,910 EUR.

### For dependent children:

Number of children	Additional exemption (EUR)	Total exemption (EUR)
1	1,980	1,980

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2	3,130	5,110
3	6,330	11,440
4	7,070	18,510

For other dependents, a deduction of 1,980 EUR applies. Children with disabilities or dependents count as two dependents.

For each child under three years old on January 1st, the above amounts increase by 740 EUR if childcare expenses are not deducted.

These exemptions apply to the lowest taxed income portions.

## Tax rates and brackets for 2025

Income bracket (€)	Tax rate (%)	Max taxable amount in bracket (€)	Cumulative tax (€)
0 to 11,460	25	2,865	2,865
11,460 to 16,320	30	1,458	4,323
16,320 to 27,190	40	4,348	8,671
27,190 to 49,840	45	10,192.50	18,863.50
Above 49,840	50		

## Separate taxation and income splitting between spouses

Each spouse or legal partner is taxed separately. If only one spouse works, the other spouse can be assigned part of the income (called the marital quotient):

- Thirty per cent of the working spouse's income is attributed to the non-working spouse, up to 13,460 EUR.
- If one spouse assists the other in a self-employed activity, up to 30% of the net income can be allocated to the assisting spouse, or up to 50% if properly justified, with a limit of € 17,480.

- If both spouses work, but one earns more than 70% of the total income and the other earns less than 13,460 EUR, the same income splitting rules apply.

## Applicability to non-residents

Non-residents can apply these exemptions and deductions only if they earn at least 75% of their worldwide professional income in Belgium. To receive regional tax benefits, non-residents must have their tax residence in another member state of the European Economic Area (EEA).

## Employment expenses

Mandatory social security contributions (paid in Belgium or abroad) are fully deductible when calculating the taxable base.

Other work-related expenses are also deductible, as long as they are justified. If no proof is provided, a standard deduction can be applied:

- **Employees:** 30% of gross income, up to a maximum of 5,930 EUR.
- **Directors:** 3% of income, with a limit of 3,130 EUR.

In addition to social security contributions and work expenses, some personal expenses can also be deducted.

## How to submit the tax return

Have you received your tax return and are not sure where to start?

Currently, tax returns are sent in paper format (brown envelope) or electronically (via Tax-on-Web) to all individuals who are registered in the national register as of January 1, 2025.

## What is in the brown envelope?

The paper tax return comes with several documents:

- An explanatory leaflet to help you complete your tax return.
- The draft form, known as the "preparatory document", printed on beige paper. This is provided to assist you in filling out your tax return. You do not need to return this document to the tax administration. However, it is recommended to complete it first, as it will help you correctly enter the codes and amounts in your official return and avoid omissions.

- The tax return form is printed in red and white and pre-filled with your personal details. This form must be signed, dated, and returned in the provided envelope to the scanning centre by June 30, 2025. The return does not contain pre-printed codes. You must enter the appropriate codes and amounts yourself.

In the first six boxes, enter the correct code.

There are 10 boxes to enter the corresponding amount. Important: the amount must be right-aligned, and the last two boxes are for euro cents. If you are entering a rounded amount (without cents), fill in "00" in the last two boxes. For example, to enter €32,132.13, enter 3213213 and then 13 in the last two boxes.

The attachment sheet, printed in white and green, where you can add any documents you want to include with your return.

The return envelope, which should be used to send your tax return and attachments to the tax authorities. The address on the envelope's window must be that of the scanning centre.

## Which documents do you need to complete your tax return?

To fill out your tax return, gather all documents that may entitle you to tax reductions:

- Form 281.10 (provided by your employer, listing your salary and allowances)
- Proof of childcare expenses
- Mortgage payment statements
- Pension savings statements
- Proof of donations to recognised institutions (donations and legacies)
- Service cheque expenses
- Energy-saving expenditures
- Alimony payments, etc.

## What should I do if I did not receive a paper tax form?

You can submit your return electronically via MyMinfin (Tax-on-Web) until July 15, 2025. To do this, you will need:

- Your electronic ID and a card reader
- The itsme® app
- Or a digital key

If your country has a recognised EU digital ID system (eIDAS), you can also log in using your national identity card.

If you cannot use the above methods, you can register through ForReg, which allows FPS Finance to access your profile without needing a Belgian eID, itsme®, or TOTP. In that case, you do not need to request a paper tax form.

If you still wish to file a paper return, you must request one from your local tax office for individuals.

## What if I received a simplified tax proposal?

If you received a simplified tax return proposal (either via your eBox or by post before the end of May 2025), you will not receive a paper form. This proposal includes a tax calculation based on the data available to FPS Finance. It will also mention the amount to be paid or refunded.

If the proposal is correct, you do not need to file a return. If it is incorrect, you must correct it. Deadlines depend on your situation: June 30 / July 15 / October 16, 2025.

## Can an authorised representative file my tax return?

Yes. Anyone who must file a tax return can appoint an authorised representative (accountant, certified auditor, tax advisor, etc.). This person must have a company number.

First, you and your representative must create a mandate via the secure application Mandates. Then, your representative will file your return via MyMinfin.

The deadline for representatives is July 15, 2025. If your return includes specific income (e.g., from self-employment or foreign professional income), the deadline is October 16, 2025.

## What should I do if I made a mistake or forgot something?

If you submitted a paper return, you cannot amend it yourself. Contact your local tax office for individuals as soon as possible. If you submitted it online via MyMinfin, or through an FPS Finance employee or accountant, you can correct your return yourself via MyMinfin until July 15, 2025 (only once).

## What happens if I submit my tax return late?

If you miss the deadline indicated on your return, you may face:

- A fine
- An increase in tax owed

The tax authority may also apply ex officio taxation, meaning they will determine the amount of tax owed themselves. They have four years to do this, or ten years if there is evidence of fraud.

## Can I request an extension?

In certain exceptional cases, it is possible to request an extension. The following conditions must be met:

- Your request must be based on force majeure or a valid reason (something beyond your control), such as:
  - Serious illness
  - Stolen or lost documents (e.g., due to a fire)

Your request must be sent before the regular deadline: June 30, 2025, for paper returns and July 15, 2025, for online returns.

To request an extension, call your local tax office for individuals and provide your surname, first name, national number, the channel you are using (paper or Tax-on-Web), the reasons for your request, and the desired extension date.

Your tax office will review your request and inform you whether it has been approved or denied.

## Others

### **Foreign income for Belgian residents**

If you live in Belgium, you must declare all worldwide income, regardless of where it was earned. This includes:

- Salaries received abroad.
- Pensions from foreign sources.
- Rental income from properties in other countries.
- Dividends and interest from foreign investments.
- Life insurance income received internationally.

## Are there tax exemptions?

Yes, in some cases. Belgium has double taxation treaties with certain countries, meaning that your income may not be taxed in Belgium if it has already been taxed in the country of origin.

### **Declaring foreign income**

You must include all foreign income in your Belgian tax return. If you receive a simplified tax return proposal, but your foreign income is not included, you must file a full tax return instead.

Failure to declare foreign income can result in fines and tax adjustments. The Belgian tax authorities verify these declarations through automatic information exchanges with other countries.

## Where are foreign income taxes paid?

Taxes on foreign income are paid either in Belgium or in the country of origin, depending on existing tax treaties. Even if these earnings are not taxed in Belgium, they may still impact the tax rate on your other income and be considered for municipal taxes.

For individuals from countries such as Germany, Spain, France, Greece, Italy, Luxembourg, the Netherlands, or the United Kingdom, Belgium offers online tools to assist with correctly filing tax returns.

### **Specific regulations for Dutch income**

If you work in the Netherlands but live in Belgium, you may apply for non-resident tax status, allowing you to benefit from Dutch tax advantages. To qualify, you must reside in Belgium and pay taxes in the Netherlands on at least 90 per cent of your income.

If your spouse also pays taxes in the Netherlands on 90 per cent of your combined income, both of you can qualify for non-resident tax benefits.

If you do not meet the conditions, you may still be entitled to certain Dutch tax advantages. To access these benefits, you must complete an income certificate and submit it to FPS Finance, which will validate the certificate before sending it to the Dutch tax authorities.

## Steps to submit the income certificate

### **1. Download the required form.**

### **2. Complete sections 2 to 4:**

- Section 2: Enter your citizen service number and national registry number.

- Section 3: Provide your signature.
- Section 4: If no income applies to a section, enter 0. Do not leave sections blank.

### **3. Submit the form to FPS Finance via MyMinfin or postal mail.**

FPS Finance first processes your Belgian tax return before validating your income certificate. The certificate is then sent to the Dutch tax authorities by December 31 of the tax year.

#### **Example of deadlines**

If you submit your Belgian tax return on June 28, 2025, and send your income certificate on June 30, 2025, Belgium will forward your certificate to the Netherlands before December 31, 2025.

## Employee taxation of income (int, div, royalties)

### Interest income: Tax rates

Interests paid and received through a Belgian financial institution are subject to a flat tax of 30%.

Interest from ordinary savings accounts is tax-exempt up to 1,050 EUR (across accounts for the 2025 tax year). Any amount exceeding this limit is taxed at 15%.

Foreign interests received by taxpayers residing in Belgium must be declared in their annual tax return at the net amount (after deduction of the foreign withholding tax), and the flat tax is paid upon settlement.

According to a ruling by the Court of Justice of the European Union, municipal taxes no longer apply to foreign interests.

### Dividend income: Tax rates

Dividends paid and received through a Belgian financial institution are subject to a flat tax of 30%. The first 859 EUR of dividends are tax-exempt. Foreign dividends must be declared at their net amount, and the flat tax is paid upon settlement.

According to a ruling by the Belgian Supreme Court, investors can deduct part of the French withholding tax on dividends received from French shares. Additionally, they can claim a refund for excessive withholding taxes from the past five years. However, this

benefit applies only to French dividends and does not extend to dividends from other countries

## Capital gains: Tax rates

- **Real estate:** If the property sale is part of a business activity, it is taxed at normal progressive rates. If the sale is outside business activities but not part of normal asset management, it is taxed at 33% plus communal tax. If the sale is within normal asset management, taxation depends on how long the property was owned.
- **Homes:** Selling your primary residence is tax-free if you've lived there for at least 12 months, with six months before the sale included in that period. If you sell a non-primary residence within five years of buying it, the capital gain is taxed at 16.5% plus communal tax.
- **Land:**
  - Owned less than five years → Taxed at 33% plus communal tax.
  - Owned between five and eight years → Taxed at 16.5% plus communal tax.
  - Owned eight years or more → Tax-free.

## How taxable profit is calculated

The taxable amount is the difference between the sale price and the purchase price. You can add 25% of the purchase costs (unless higher costs can be proven). Renovation costs done by registered contractors are included. The purchase price increases by 5% per year between buying and selling.

Selling costs are generally deductible.

## Exemptions

Some capital gains are not taxed:

- Inherited real estate (unless sold within two years for a higher price than declared in the inheritance tax).
- Properties sold due to expropriation.
- Properties owned by minors, mentally disabled, or legally incompetent individuals.
- Capital gains on private investments are not taxed, as long as they are part of normal asset management. However, tax applies if substantial holdings in a Belgian company are sold to a foreign company (outside the EEA).
- Non-residents working in Belgium are not taxed on foreign investment income.

## Stock transactions

Since 2017, all stock exchange transactions have a stock exchange tax.

## Royalty income: Tax rates

Royalty income is subject to different tax treatments depending on its type and source.

Expense deductions are allowed but limited as follows:

- 50% of the first EUR 19,480.
- 25% of the amount between EUR 19,480 and EUR 38,970.
- Maximum deduction cap: EUR 14,612.50 (for the 2024 income year).

The final tax rate depends on whether the royalties are considered part of a professional activity (taxed progressively) or non-professional (subject to the 30% rate).

## Withholding

### Withholding tax on interest: Rates

Since 1 January 2017, the withholding tax on most forms of movable income, including interest, has been set at 30%.

For the income year 2025, the first EUR 1,050 of interest earned on a savings account is tax-free, with this exemption applying individually to each taxpayer in the case of a joint account. Any interest exceeding this amount remains subject to a 15% tax rate.

### Withholding tax on dividends: Rates

Since 1 January 2017, dividends distributed through a Belgian financial institution are generally subject to a withholding tax of 30%. However, in certain specific cases, a lower rate of 15% may apply. Additionally, for the income year 2025, the first EUR 859 of dividends received are exempt from taxation.

### Withholding tax on capital gains: Rates

For individuals receiving royalties in Belgium, the tax treatment depends on the type of income:

- **Standard withholding tax rate:** Royalties are generally subject to a 30% withholding tax.

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- **Reduced 15% rate:** If the royalties come from literary and related rights or legal and compulsory licenses, and do not exceed EUR 73,070 in the 2024 income year, the withholding tax is 15%.
- **Royalties exceeding the threshold:** If the income from royalties is above EUR 73,070, the applicable tax rate depends on the nature of the activity:

If derived from professional activities, progressive tax rates apply under personal income tax rules. If not linked to a professional activity, the 30% rate remains applicable.

## Expense deductions

Certain expenses related to earning royalties may be deducted, but within specific limits:

- 50% of the first EUR 19,480.
- 25% of the amount between EUR 19,480 and EUR 38,970.
- Maximum deduction cap: EUR 14,612.50 for the 2024 income year.

If the individual resides in a country with a tax treaty with Belgium, they may qualify for a lower withholding tax rate or be able to claim a partial tax refund.

## Withholding tax on royalties: Rates

The standard withholding tax rate applied to royalties is 30%. In certain cases, this rate is reduced to 15%, specifically for literary and related rights or legal and compulsory licenses, up to EUR 73,070 (for the 2024 income year). If the total income exceeds EUR 73,070, the withholding tax depends on the nature of the activity:

- **Professional activities:** Progressive tax rates apply under personal income tax rules.
- **Non-professional sources:** The 30% rate remains applicable.

If the recipient resides in a country with a tax treaty with Belgium, they may qualify for a lower withholding tax rate or be able to claim a partial tax refund.

## Fees for technical services:

Technical service fees usually do not have withholding tax. However, if these payments go to related entities in countries without a tax treaty with Belgium—or in rare cases, even to countries with a treaty—a 25% withholding tax applies.

This rate can be effectively lowered to 12.5% because Belgium allows a 50% fixed cost deduction. Depending on the tax treaty in place, further reductions may also be possible.

## Employee tax - Special regimes to apply

### Expatriate Law

### Working abroad rules

Belgium has one of the highest tax burdens on labour among OECD countries. To attract qualified foreign professionals, Belgium offers a special tax regime for expatriates. This regime aims to reduce the heavy tax and social security burden for employees and directors coming to work temporarily in Belgium.

There are two main regimes:

- **BNI (Special Tax Regime for Incoming Taxpayers):** For employees and directors hired or seconded from abroad to Belgium.
- **BRI (Special Tax Regime for Foreign Researchers):** Specifically for researchers employed from abroad to work in Belgium.

These regimes provide tax benefits such as tax-free allowances, exemptions on certain expenses, and favorable social security treatment, making Belgium more competitive to attract international talent.

### Double taxation agreements ( link website)

<https://www.minfin.fgov.be/myminfin-web/pages/public/fisconet/document/27c5818d-7978-4749-a1ee-4f4816d3306d>

### Expatriate Law (Working abroad rules)

### How to Apply and Deadlines for Employee

#### Main requirements for BNI:

- Minimum gross taxable annual salary of €70,000 (adjusted every 3 years), calculated only for work performed in Belgium.
- An employee or director must be hired directly from abroad by a Belgian company, Belgian branch, or part of a multinational group in Belgium. Certain payments, like severance or non-guaranteed bonuses, are excluded from this calculation.

## **For BRI:**

- For researchers only, with no minimum salary requirement.
- Must have a relevant research degree.
- Does not apply to company directors.

## **Main benefits:**

A tax-free allowance equal to 35% of the gross salary (previously 30%), with no annual limit (previously capped at €90,000). This allowance can cover specific employer-paid expenses such as relocation costs, housing setup, or children's school fees. These allowances are exempt from Belgian social security contributions and taxes.

## **How to apply and deadlines:**

The employer must submit the application to the Federal Public Service Finance (FPS Finance) within 3 months of the employee's start date. If the employee maintains tax residency outside Belgium, a residence certificate must be provided.

FPS Finance has 3 months to issue a decision on the application. If there is a change of employer, a new application must be submitted to continue benefiting from the regime.