

# FB-tax



## Belgian taxes and social security contributions for companies and individuals

Ferenc Ballegeer - Tax and notarial lawyer

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and individuals  
(tax assessment year 2023)**

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## What to expect?

The subject of the present white paper is an overview of Belgian income tax, stamp duties, inheritance tax, VAT-rates and social security contributions for companies, entrepreneurs, employees, and private individuals. The white paper also deals with the 2021 tax on securities accounts. The present white paper allows an investor, entrepreneur, expat, or private individual to have a first understanding of the main characteristics of the Belgian tax system. The **tax rates** are indicated in **bold**.

It is merely an informative document, not advice.<sup>1</sup>

The rates and figures are those applicable to the year 2022 (tax assessment year 2023), unless mentioned otherwise.

The white paper has 7 sections. The first section allows a cursory look at the Belgian company and association law. Section 2 deals with income tax (1) for companies ('CIT'), (2) for private individuals ('PIT'), (3) for other incorporated legal entities than companies ('LEIT') and (4) concludes with non-resident income tax ('NRIT'). Section 3 and 4 discuss the stamp duties respectively the inheritance tax. Section 5 deals with the new annual tax on securities accounts. Section 6 mentions the rates of value added tax ('VAT') applicable in Belgium. We conclude with an overview of Belgian social security contributions applicable to employers, employees, and self-employed persons as well as to pension capital.

The white paper should allow the reader to roughly calculate the Belgian tax and social security cost applicable. Before diving into

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<sup>1</sup> FB-tax strives for the reliability of the text, but it cannot be held liable for it. For any comments, please contact the author Ferenc Ballegeer: [ferenc@fb-tax.be](mailto:ferenc@fb-tax.be).

the Belgian tax system, it is necessary to sketch roughly the new Belgian company law. The reader may conclude that Belgium is a suitable gateway to the European single market (EU member states).<sup>2</sup>

Although Belgium ranks amongst the highest tax countries in the world and although it applies sometimes confiscatory tax rates<sup>3</sup>, the taxpayer gets in return an affordable health care and education system. There are excellent connections (including by train) to neighbouring countries and cities such as London, Rotterdam, Amsterdam, Köln, Düsseldorf, Luxembourg, Frankfurt, and Paris.

Belgian state pensions are rather low however and the complexity of the Belgian federal state and its three regions (the Flemish Region, the Brussels Capital Region, and the Walloon Region) results in a too often unbalanced and complex tax system. Income tax is mainly a national tax ('federal' in the Belgian vocabulary). Some aspects of other taxes, such as stamp duties and inheritance tax are regional.<sup>4</sup> Company law and social security law are also federal. VAT-rules are determined by EU-law, the VAT rates however are determined by federal rules.

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<sup>2</sup> The European single market is one of the main objectives of the European Union ('EU'). Belgium is a founding member of the EU. The EU has 446 million inhabitants (the world's third largest population after China and India). The foundation of the European single market are the 4 freedoms: (1) free movement of goods, (2) persons (i.e., workers and the right of establishment), (3) services and (4) capital. The Court of Justice of the European Union ruled that this includes the right of consumers to buy goods or services in another member state under the same conditions as those applicable to local customers. Belgium is part of the Schengen countries, the EU's border-free zone.

<sup>3</sup> Please check the Brussels and Walloon Region inheritance tax rates for certain heirs, up to 70/80 percent e.g.

<sup>4</sup> Vehicle registration taxes and traffic taxes are also regional taxes e.g.

Legislative texts are drafted in the three official languages: Dutch, French and German; hence the threefold mentioning of some technical terms, facilitating the search the reader may perform. From a regional tax perspective, the German-speaking Community (in the east) is part of the Walloon Region. In the Flemish Region, Dutch is the official language, whereas in the Walloon Region this is French (except in the German-speaking communes as mentioned). In the Brussels Capital Region, French and Dutch are official languages.



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