

CAR TAXATION GUIDE

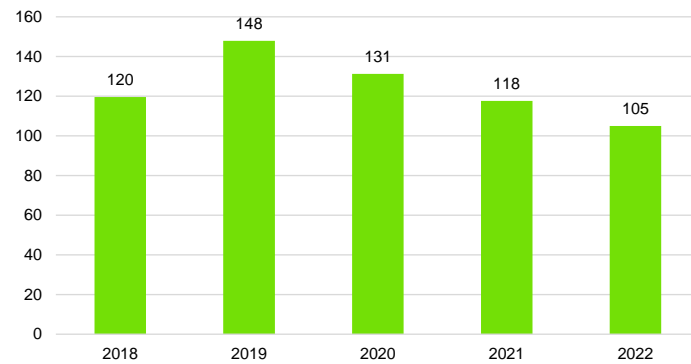
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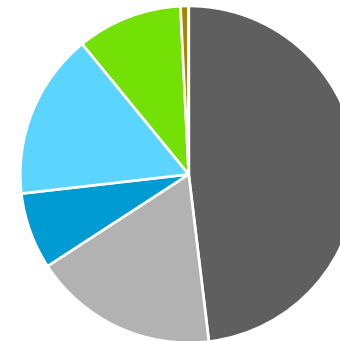
CO2 development

Average CO2 values per year in g/km.



Fuel type distribution

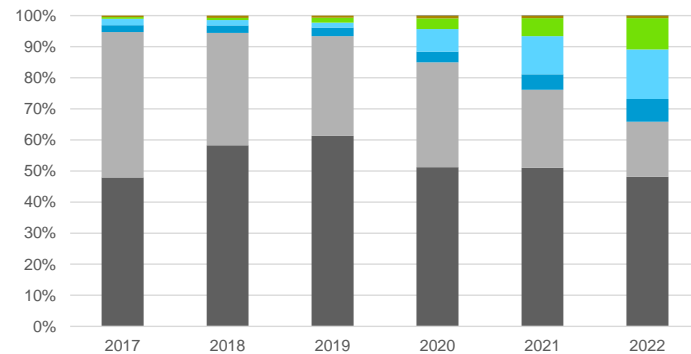
Percentage share of fuel types in 2022.



Petrol	179.108	48,1%
Diesel	66.062	17,7%
Hybrid	27.405	7,4%
PHEV	59.294	15,9%
BEV	37.688	10,1%
Gas	2.884	0,8%
Other	28	0,0%

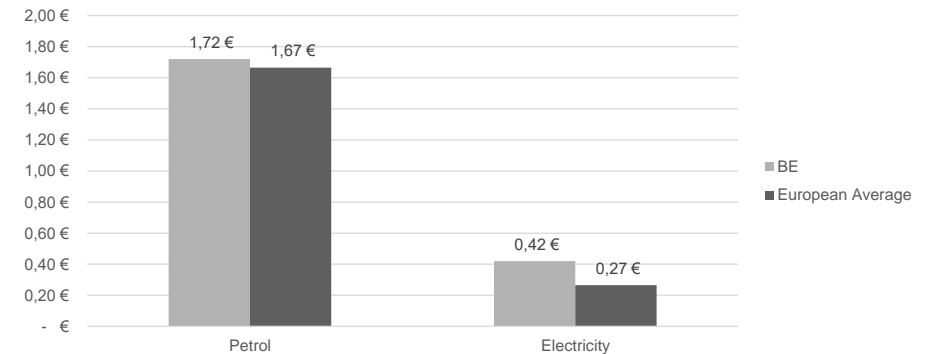
Fuel type development

Percentage share of fuel types over the past years.



Fuel price comparison

Prices of petrol and electricity in 2022 (in Euro/litre or Euro/kWh).





* for the following calculation the current tax laws of Flanders have been applied because most company cars are registered there.

Tax comparison

This table compares taxes between different fuel types.
Thereby, all values are calculated for a standard COMPACT SUV.

		Petrol	PHEV	BEV
Taxes - General	Registration tax	667 €	25 €	- €
	Road tax (3 years)	813 €	657 €	- €
	VAT (19%)	5.565 €	7.665 €	8.190 €
	Sum	7.045 €	8.347 €	8.190 €
Taxes - Private	Purchase grant	- €	- €	- €
	Sum	7.045 €	8.347 €	8.190 €
Taxes - Company	Company car tax (3 years)	4.999 €	2.310 €	2.310 €
	VAT Deduction	- 2.783 €	- 3.833 €	- 4.095 €
	Purchase grant	- €	- €	- €
	Solidarity contribution (3 y)	2.871 €	1.191 €	1.191 €
	Investment (3 years)	- 3.510 €	- 6.875 €	- 7.625 €
	Sum	8.622 €	1.140 €	29 €

Fuel costs for 50,000km

Fuel costs over a usage of 50,000km calculated on 2022 prices.
The calculation should simulate costs over a 3 year period of time.

		Petrol	PHEV	BEV
Specs	Car reference price (net)	26.500 €	36.500 €	39.000 €
	Car CO2 (EU WLTP, g/km)	156	39	0
	Car weight (kg)	1470	1812	1960
Consumption	Fuel (litre/100km)	6,6	1,6	0,0
	Electricity (kWh/100km)	0,0	12,4	14,8
Costs	Fuel costs	5.637 €	1.409 €	- €
	Electricity costs	- €	2.604 €	3.108 €
	Sum	5.637 €	4.013 €	3.108 €

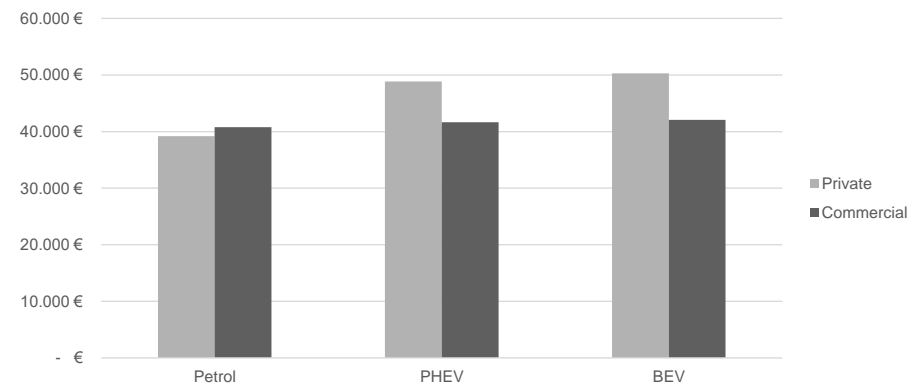
Total costs (Tax + car price + fuel)

This estimate calculates the combined costs of car price, taxes and fuel costs to be paid.
Assumed is a usage of 3 years attributing to 50,000km.

		Petrol	PHEV	BEV
Total costs - Private	Net price (grants deducted)	26.500 €	36.500 €	39.000 €
	Taxes (incl. VAT)	7.045 €	8.347 €	8.190 €
	Fuel	5.637 €	4.013 €	3.108 €
	Sum	39.182 €	48.860 €	50.298 €
Total costs - Company	Net price (grants deducted)	26.500 €	36.500 €	39.000 €
	Taxes	8.622 €	1.140 €	29 €
	Fuel	5.637 €	4.013 €	3.108 €
	Sum	40.759 €	41.654 €	42.079 €

Total cost comparison

Comparison of total costs between private and commercial use for Petrol, PHEV and BEV.





Purchase Taxes and Boni

Value Added Tax ("Belasting over de toegevoegde waarde/BTW")

21% on cars.

Registration Tax ("belasting op inverterstelling/BIV")

A tax has to be paid when acquiring a new vehicle in Belgium. The concrete terms vary between regions (Brussels, Flemish, Walloon)

Brussels area

The TES depends for a new car depends on its engine capacity and kW power. The amount to be paid can be taken from the following table:
If the the power and the cylinder capacity lead to different values, the higher one is due.

Cylinder capacity	From	1	1551	1951	2151	2751	3051	3251	3450
ccm	To	1550	1950	2150	2750	3050	3250	3450	inf.
Engine Power	From	1	71	86	101	111	121	121	155
kW	To	70	85	100	110	120	155	155	inf.
Tax	Euro	62 €	123 €	496 €	867 €	1.239 €	2.487 €	2.487 €	4.957 €



Electric vehicles pay the amount of the minimal tariff: 62€.

Flemish area



Electric and hydrogen cars do not pay BIV.
PHEVs and CNG/LPG cars were exempt until 2020.

For new cars registered from 2021 the VRT is calculated based on the following formula:

$$BIV = \left(\frac{CO2 WLTP \times f \times y}{246} \right)^6 \times 4,500 + c$$

Where:

f = fuel correction factor

y = year factor

c = fixed price by Euronorm and fuel type

Details:

f = always 1, except for LPG (f = 0.88) and natural gas (f = 0.93)

y = it was fixed at 1.0 in 2019 and increases by 0.035 every year (2023 = 1.14)

c = 544.75€ for Diesel & 24.73€ for Petrol, LPG and natural gas (all Euro 6 norm)

The typical purchase taxes in 2023 are:

CO2	50	75	100	125	150	175	200
Petrol	25 €	33 €	69 €	195 €	532 €	1.305 €	2.877 €
Diesel	545 €	553 €	589 €	715 €	1.052 €	1.825 €	3.397 €



Walloonia area

TES Walloonia = TES Brussels + CO2 malus

The TES is calculated in the same way as in Brussels are.

On top of the calculated amount however comes a malus for high CO2 emissions that can be taken from the table below:

CO2													
From	0	146	156	166	176	186	196	206	216	226	236	246	255
To	145	155	165	175	185	195	205	215	225	235	245	255	inf
Malus to be paid	0 €	100 €	175 €	250 €	375 €	500 €	600 €	700 €	1.000 €	1.200 €	1.500 €	2.000 €	2.500 €

A new tax framework in Wallonia is planned to come in place from September 2023.

It will include a weight factor, so that heavier vehicles will be punished. This will especially affect SUV, but exemptions for Hybrids and BEVs are planned.

Road Taxes

Road tax ("jaarlijkse verkeersbelasting")

The road tax is paid on the regional level. The rates are fairly the same in the regions, thus we summarized all in one.

The ACT is dependent on the cylinder capacity and has to be paid once per year.

Electric vehicles pay the minimum tariff of 92.93€. In Flanders, BEV and Hydrogen vehicles are exempt from the tax.

Cylinder capacity													
From	0	800	1000	1200	1400	1600	1800	2000	2200	2400	2600	2800	3100
To	799	999	1199	1399	1599	1799	1999	2199	2399	2599	2799	3099	3299
Amount to be paid	92 €	116 €	167 €	219 €	271 €	323 €	374 €	486 €	597 €	708 €	820 €	932 €	1.220 €

Cylinder capacity													
From	3300	3500	3700	4000	4200	4400	4700	4900	5100	5300	5600	5800	6000
To	3499	3699	3999	4199	4399	4699	4899	5099	5299	5599	5799	5999	6199
Amount to be paid	1.509 €	1.797 €	2.086 €	2.374 €	2.504 €	2.633 €	2.763 €	2.892 €	3.022 €	3.151 €	3.281 €	3.410 €	3.540 €



Company Car

Benefit in kind ("Voordeel bedrijfswagen")

The private use of a company car is taxed in Belgium as a benefit in kind

The BIK is calculated based on the price of a car, its age, its emission and its fuel type.

Taxable amount for Petrol, Diesel, Gas

$$BIK = MSRP \times \text{age correction factor} \times [0.055 + 0.001 \times (CO2 - CO2 \text{ reference value})] \times \frac{6}{7}$$

Age correction factor: Per year the taxable benefit is reduced with 6% (with a maximum reduction of 30%, i.e. as of 5 years).

CO2 refer. values	2019	2020	2021	2022	2023
Diesel (g/km)	88	91	84	75	67
Petrol (g/km)	107	111	102	91	82

Taxable amount for BEVs, PHEVs and FCEVs

$$BIK = MSRP \times \text{age correction factor} \times [4\%] \times \frac{6}{7}$$

The BIK can not fall below a certain minimum rate:

Minimum BIK	2019	2020	2021	2022	2023
Amount	1.340 €	1.360 €	1.370 €	1.400 €	1.540 €

To compute the tax payment, the taxable amount from the above formula is multiplied with the personal tax rate

Taxable Income (EUR)	marginal tax rate
< 13,870	25%
13,870 - 24,480	40%
24,480 - 42,370	45%
> 42,370	50%

In 2023 the typical payments are

	MSRP	CO2	%	BIK	Income tax rate	Payment
Petrol	32.000 €	156 g/km	11,8%	3.790 €	50%	1.895 €
Diesel	32.000 €	144 g/km	12,1%	3.872 €	50%	1.936 €
BEV/(PHEV)	47.000 €	0 g/km	3,4%	1.611 €	50%	806 €



CO2 tax ("solidariteitsbijdrage")

The solidarity contribution is paid only for company cars with private use

It has to be paid at the state level so there is not distinction for the three regions.
The amount depends on fuel type and the CO2 emissions of the car.

Until 30 June 2023

$Annual\ contribution = (CO2 \times 9 - fuel\ type\ discount) \times inflation\ index$

With:

Inflation index	2019	2020	2021	2022	2023	2024
	1,2950	1,3086	1,3222	1,3525	1,5046	1,5347

In 2023:

Typical rates	Discount (X)	Avg. emissions	Typical cost / year
Petrol	768	139	727 €
Diesel	600	139	979 €
LPG*	990	116	376 €
Electric*	0	0	376 €

*After application of inflation index, in 2023 all cars pay at least 376 EUR/year

From July 2023 most cars will pay the increased minum rate as listed below

The formula are described above, and the inflation index will remain in place, but for most cars, the minimum threshold will be binding

BEV & FCEV monthly will remain affordable

	Jan 23	July 2023	2024	2025	2026	2027	2028
BEV & FCEV monthly rate	20,83	20,83	20,83	23,41	25,99	28,57	31,15
x Inflation index	1,505	1,5046	1,535	tba	tba	tba	tba
Annual ZEV contribution	376 €	376 €	384 €	> 431 €	> 479 €	> 526 €	> 574 €

For all vehicles emitting CO2, the amount will be multiplied with a pre-defined factor

	Jan 23	July 2023	2024	2025	2026	2027	2028
x Increasement factor	1,00	2,25	2,25	2,75	4,00	5,50	5,50
Min. annual ICE contribution	376 €	846 €	863 €	> 1.186 €	> 1.915 €	> 2.894 €	> 3.155 €

VAT Deductibility

Deductibility	What
50%	For private use of the company car.
100%	Car is used for business purposes only.



Investment

Depreciation and capital allowance

Deductibility from company taxable income is limited for all car related expenses:

Car related expenses are for example fuel, maintenance, tires and repair. Financing costs are not included.

The percentage of deductible expenses is calculated as:

$$\text{Deductible percentage} = 120\% - (0,5\% \times \text{CO2} \times \text{fuel type factor})$$

In 2023:

	Fuel Type Factor	avg. CO2	avg. Deductibility
BEV	Not applicable	0	100%
CNG	0,90	106	72%
Petrol	0,95	139	54%
PHEV (incl. Diesel)	0,95	33	100%
Other Diesel	1,00	139	51%

From 1. Jan 2023 PHEVs will have a maximum deductibility on fuel.

Deductibility must be between 50% and 100%

Exception: For cars with more than 200 g/km it can go down to 40%

Fake-Hybrid rule:

In Plug-In Hybrids do not meet the following conditions, then CO2 emissions from a comparable Petrol car are used.

CO2 < 50 g/km NEDC

Energy capacity of the battery must be at least 0.5kWh per 100kg of vehicle weight (in running order)

Reduced deductibility for ICE cars from 2025:

The minimum and maximum deduction percentage will change in the following years:

The minimum and maximum decarbonisation percentage will change in the following years.									
Fuel type	Order date	Until 2024	2025	2026	2027	2028	2029	2030	2031
ICEs (incl. PHEV)	Before Jun 2023	50% - 100%							
	Jul 2023 - Dec 2025	50-100%	0-75%	0-50%	0-25%	0%			
	From Jan 2026	n.a.			0%				
BEVs & FCEVs	Before Dec 2026	100%							
	2027	n.a.				95%			
	2028	n.a.					90%		
	2029	n.a.						82,5%	
	2030	n.a.							75,0%
	From 2031	n.a.							67,5%



In 2023 the typical tax deductions for 3 years are:

Cost breakdown	Petrol	PHEV	BEV
MSRP	32.000 €	44.000 €	47.000 €
Residual value (%)	50%	50%	50%
*after 3 years			
Loss of value	16.000 €	22.000 €	23.500 €
Costs for fuel	5.000 €	3.000 €	2.000 €
Other costs	5.000 €	5.000 €	5.000 €
Total costs	26.000 €	30.000 €	30.500 €
Deductibility (%)*	54%	92%	100%
* avg. of 2023-2025 rates			
Deduction base	14.040 €	26.250 €	30.500 €
Corp. Tax	25%	25%	25%
Deduction (€)	-3.510 €	-6.563 €	-7.625 €

*PHEV deduction contains
50% rule for fuel costs