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New bill for a green(er) mobility

On 18 May 2021, a bill was approved by the Belgian Government to create a green(er) mobility in Belgium by (1) promoting tax incentives for CO2-emission free company cars, (2) fiscally stimulating an accelerated growth of charging stations both for private individuals and companies and (3) with a more extensive mobility budget.



Tax deductibility company cars

Below tables illustrate the intentions of the government on how to stream companies towards CO2-emission free cars (full electric cars) by capping the tax deductibility for companies of (even CO2-emission free) company cars in the future.

Year of purchase	Tax deductibility			
	Fossil fuel cars	(Plug-in) Hybrid cars		CO2-free cars (full electric cars)
		Other cost(s)	Fuel cost(s)	
01/01/2021 – 31/12/2021	Current tax deductibility rules		Current tax deductibility rules (100%)	
01/01/2022 – 31/12/2022	Current tax-deductibility rules		Current tax deductibility rules (100%)	
			Current tax deductibility	

01/01/2023 – 30/06/2023	Current tax-deductibility rules	Current tax-deductibility rules	Tax deductibility capped at 50%	rules (100%)
01/07/2023 – 31/12/2023	Current tax-deductibility rules	Current tax-deductibility rules	Tax deductibility capped at 50%	Current tax deductibility rules (100%)
01/01/2024 – 31/12/2024	Current tax-deductibility rules	Current tax-deductibility rules	Tax deductibility capped at 50%	Current tax deductibility rules (100%)
01/01/2025 – 31/12/2025	Current tax-deductibility rules but capped at 75%	?	?	Current tax deductibility rules (100%)
01/01/2026 – 31/12/2026	Current tax-deductibility rules but capped at 50%	?	?	Current tax deductibility rules (100%)
01/01/2027 – 31/12/2027	Current tax-deductibility rules but capped at 25%	?	?	95%
01/01/2028-31/12/2028	0%	?	?	90%
01/01/2029 – 31/12/2029	0%	?	?	82,5%
01/01/2030 – 31/12/2030	0%	?	?	75%
01/01/2031 – 31/12/2031	0%	?	?	67,5%

- Based on the above table, it is unclear how the tax deductibility of (plug-in) hybrid cars will evolve in the coming years as the Finance Minister only referred to implementing a cap on the tax deductibility with respect to fuel cost "as of January 2023".

However, since a (plug-in) hybrid car remains a "fossil fuel car" still having a CO₂-emission, it is to our opinion meant to be that the tax deductibility will evolve in the same way as for fossil fuel cars as the government clearly wishes to only promote CO₂-emission free cars.

- Even though there is no reference made to "fake" hybrid cars, it can be expected that the current reasoning of assimilating fake hybrid cars with comparable fossil fuel cars shall continue to be applied as well.

Please note that:

- The above changes only apply with respect to new cars meaning that existing (lease) contracts shall not be impacted by these changes.
- The changes that government intend to apply for company cars does not affect (at this stage) the employee and his/her taxable benefit for having for free at his/her disposal a company car.

Charging stations at home and at the workplace

The government also aims to encourage an accelerated increase in the number of charging points for electric (and plug-in hybrid) cars, both at home and at the workplace. Hence, the following tax benefit has been developed:

Individual	Companies
<p>Between September 1st, 2021 and August 31, 2024, any individual (i.e. landlord or tenant) who purchases and installs an “intelligent” charging station (i.e. control of charging time and power) for green electricity at home will be entitled to a tax reduction equal to a percentage varying from 45% to 15% times the purchase and installation costs which expense is on itself capped at 1.500 EUR. The percentages apply as follows:</p> <ul style="list-style-type: none">- Investment made between September 1st, 2021 and December 31, 2022: tax reduction of 45%- Investment made in 2023: tax reduction of 30%.- Investment made in 2024 (until August 31, 2024): tax reduction 15%. <p>The tax reduction applies per charging station and per individual taxpayer.</p>	<p>Between September 1st, 2021 and August 31, 2024, companies investing in a publicly accessible charging station will be entitled to benefit from an increased tax deduction of costs.</p> <ul style="list-style-type: none">- Investment made between September 1st, 2021 and December 31, 2022: tax deductibility of 200 %.- Investment made between January 1st, 2023 and August 31, 2024: tax deductibility of 150 %. <p>This recharging facility must be freely accessible to third parties (<i>i.e.</i> semi-public areas like company parking spots), either during or outside normal opening hours.</p>

Expanding the mobility budget

The mobility budget shall be simplified, made more flexible and further expanded to encourage a shift in greener mobility. The Finance Minister announced that the following elements will become part of the alternative/ softer mobility:

- Financing costs (*g.* loans for bicycles), parking costs and the costs of equipment that improves the safety and visibility of soft mobility.
- Electric mobility devices¹, such as electric steps, are also considered soft mobility.
- Public transport abonnements for the employee's family members living in the same household.
- Parking fees related to the use of public transport.
- A premium for walking from the residency place to the workplace.
- Housing costs extended to a radius of 10 kilometers from the workplace (instead of currently 5 kilometers). Mortgage capital repayments will now also be taken into account.



Gunther Valkenburg

COUNSEL — ATTORNEY AT LAW

Gunther Valkenburg is counsel to our Brussels office. He is member of the Employment & Benefits Practice group, leads the Compensation & Benefits Team and is a member of the Automotive Team. His main focus is on employment and benefits and international mobility of employees.

T: +32 2 743 43 39

E: gunther.valkenborg@loyensloeff.com

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