

## RSM Belgium | Tax

### Tax Insights March 2022

# IMPACT OF TAX INCENTIVES ON THE CHOICE FOR 'GREEN CARS'

The increasing popularity of company cars in Belgium is tightly intertwined with the high tax burden levied on typical gross salary payments.

As Belgium's exorbitant tax rates make it much more attractive for employers to reward employees with cars rather than cash, the continuing rise of the company car became a hot topic of discussion on the agenda of the Belgian federal parliament and government.

These political discussions were at long last settled near the end of 2021 following a new law which drastically reformed the company car tax regime in both the corporate income tax as well as the personal income tax.

RSM Belgium recently organised a series of webinars discussing these latest changes into detail.

The new measures have a profound impact on company's car costs and will in all likelihood also affect your car fleet. The now less favorable tax treatment of these vehicles will de facto result in a significant cost increase.

It is therefore of utmost importance to analyse how companies can best anticipate the upcoming tax changes, the first effects of which will be felt already on January 1<sup>st</sup>, 2023.

The best decisions to be taken for the future development of your fleet will without a doubt probably also be largely tax driven.

The TCO or Total Cost of Ownership of your car fleet can be a good indication to guide your decisions in the future.

Important questions are, amongst others:

- what's the current TCO of your company's car fleet?
- how will this TCO evolve during the next few years?
- what's the impact on the TCO if your company's car fleet were to become fully electric?
- what's the impact on your employees?

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RSM Belgium developed a practical tool to map out this data for you and to assist you in the decisions that need to be taken.

Furthermore, if you wish, we can guide you in the implementation of a mobility budget for your employees.

Interested in our assistance?

Please send an e-mail to [tax@rsmbelgium.be](mailto:tax@rsmbelgium.be) and we will contact you soon.

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