

VAT on immovable leasing- new launch?

RSM Belgium informs you

The Belgian Federal Government has re-launched the VAT reform regarding immovable leasing.

Scope (B2B):

- Only the rent of new buildings (or thoroughly re-build) can be subject to VAT. Merely renovated buildings do not qualify.
- Only for buildings constructed as from 1 October 2018 (if invoices are received prior to this date, the new rules do not apply). For storage places which do not meet the 10 % rule, the new regime would be applicable immediately (regardless if it concerns old or new buildings);
- The building must be rented out to a VAT taxable person (or a VAT exempt taxable person). This implies that the tenant can be an entrepreneur, a lawyer or even a hospital or school. The tenant can not be a private individual;
- The tenant must agree to rent with VAT;
- The revision period will last 25 years (instead of the usual 15 years for real estate).

Note:

Next to aforementioned option to rent new buildings with VAT between taxable persons, it is also foreseen that the short term rent of immovable goods (max 6 months) will be subject to VAT, except for immovable goods used for dwelling or for social or cultural activities.

As soon as further details are published, we will inform you.

Should you have any additional questions regarding the above, or require further VAT assistance, please do not hesitate to contact the RSM Tax team.

RSM Intertax