

Tax Newsletter

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New investment deduction: “best-practice”

- When a company or a natural person earning ‘profit’ or ‘fee income’ invests in new (im)material fixed assets which are exclusively used for business purposes in Belgium, the taxpayer can claim an investment deduction (“ID”). For investments made as of 01.01.2025 the rules have changed.
- You now have the choice between 3 tracks of ID. Only for the basic deduction you do not need any tax certificate (neither for the technology deduction as of 2026?). Excess ID can be carried-forward, be it only 1 year (also without limit as of 2026?) for the basic deduction.
- The 10% ‘basic deduction’ has the broadest scope, but a ‘big’ company is not entitled to it. This ID amounts to 20% for digital assets defined by RD of 20.12.2024 and if duly mentioned on invoice. However, non-environmental-friendly investments do not qualify pursuant to a list laid down in a RD of 20.12.2024, unless there is no comparable alternative on the market. Investments in security are only eligible for the basic deduction.
- The ‘increased thematic deduction’ equals 40%; 30% (40% as of 2026?) for ‘big companies’. A RD of 20.12.2024 defines qualifying investments amounting to min. EUR 1.000 and will be updated every 3 years. When the total of the tax benefit and grants received exceeds EUR 30.000.000 approval of the European Commission is required. Investments in view of efficient use of energy (e.g. solar panels) should have a min. 3 years investment recovery duration and a ‘big company’ should have a max. 13% IRR. In some cases, a positive energy audit report is required. For certain zero carbon emission rate transport investments, there is an investment ceiling, e.g. EUR 2.000.000 for a ship and EUR 1.000.000 for cycling infrastructure. Renewable packaging investments become more interesting as, prior to 2025, the ID only amounted to 3%. A RD defining qualifying digital support assets will follow. Sometimes, a combination with grant support is forbidden.
- Every taxpayer can claim the 13,5% ‘technology deduction’ in case of a patent or any other environmental-friendly innovative investment. Except for patents, a 20,5% deferred ID, applied to the annual amortization of the investment, is possible as well. You even have the option to convert this ID into a (refundable) tax credit.
- You can apply for a tax certificate on the online platform of the competent Regional Government within 3 months as of the year-end date of the financial year in which the investment or multi-annual project took place. You need to provide a technical description and should refer to the applicable list of a RD. Invoices should at all times be kept available. For multi-annual projects, a tax certificate will be delivered in function of the lists applicable when filing the request. The Government will issue a motivated decision within 6 months while the taxpayer can file appeal against it. In due time, the Government may do an audit.