

# Tax Newsletter

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## **Investment deduction anno 2025**

- 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"). This is a tax deduction in addition to the tax deduction of the annual accounting amortization of the investment. Any excess ID can be carried-forward to subsequent financial years.
- For investments made as of 1 January 2025 the rules have changed whilst for old investments the previous rules remain applicable.
- Some rules have not been amended. For example: the investment needs to be amortized over at least 3 years and its usage can in principle not be transferred to another person.
- An important new rule is as follows: if the taxpayer benefitted from Belspo relief (i.e. 80% of Belgian payroll withholding tax relating to qualifying R&D staff can be used as working capital within the company), the latter needs to be deducted from the ID calculation basis.
- As of 2025 you have the choice between 3 sorts ('tracks') of ID. Only for the 'basic deduction' you do not need any tax certificate.
- The 'basic deduction' has the broadest scope. It amounts to 10% (20% for digital assets like digital payment, accounting and CRM systems) of the acquisition value of an environmental-friendly investment if the taxpayer is a natural person or a small or medium-sized enterprise ("SME"). A non-SME cannot claim the 'basic deduction'. As of 2025 investments in security are only eligible for the 'basic deduction'. Any excess 'basic deduction' can be carried-forward to only the next income year.
- The 'increased thematic deduction' equals 40% of the acquisition value of the investment if the taxpayer is a natural person or a SME. A non-SME can claim a 30% deduction. This deduction applies to environmental-friendly investments and investments in renewable energy like an electricity charging infrastructure, a bike or a smoke extraction system. A Royal Decree of 20 December 2024 defines qualifying investments. However, if you already received a grant or if you face financial difficulties, you risk not to be eligible after all.
- The 'technology deduction' equals 13,5% of the acquisition value of a patent or of any other environmental-friendly innovative investment. This ID can also be claimed on a deferred basis, except for patents. If so, it amounts to 20,5% of the annual amortization of the investment. You can even opt to convert this ID into a 'tax credit'. If so, the credit is not deductible from the taxable basis, but from the amount of tax due. Therefore, the credit is calculated as follows: the applicable tax rate (25% for a company) is multiplied by the amount of this ID.