

## The zero-emission company car as the new standard



As mentioned in our [newsflash of 21 April 2021](#), the text of the government declaration indicated that it was the intention to modify the tax treatment of company cars by 2026 and move to zero emission vehicles. On 18 May, the Belgian federal government reached an agreement on the tax treatment of (eco-friendly) company cars.

The main principles as indicated in our newsflash of 21 April 2021 remain. As from 2026 onwards, only zero emission company cars will be able to benefit from a tax deduction. New in the agreement the government reached today, is that the zero emission company cars will initially be 100 % tax deductible in the year 2026, but by 2031 that percentage will gradually reduce to 67,5%. For fossil fuel cars, a scenario has been agreed whereby the deduction will be reduced year by year between 2023 and 2028, without breaking existing contracts. So far, no changes seem to be introduced in relation to the taxable benefit in kind on behalf of the employee, except for the usage of only the new WLTP norm for new cars.

In addition, the government has agreed to increase the number of charging stations in Belgium by giving tax incentives. Finally, agreements have also been made on simplifying the Mobility Budget. As soon as more information is available we will provide updates.

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