

**VANDELANOTTE
INFORMS**

Deductible
business expenses
2026

VANDELANOTTE INFORMS

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1. PRIVATE VEHICLES

EXPENSE TYPE DESCRIPTION	INCOME TAX	VAT
General rules	See text p. 4-7	<p>Max. 50% deductible :</p> <ul style="list-style-type: none"> deductibility limited to business use with a max. of 50%; change in private/business use ratio also affects right of deduction. <p>3 methods for calculating deductions:</p> <ol style="list-style-type: none"> actual business use: records of trips per mode of transport (can be automatic or manual); semi-flat rate: % private = (commuting distance x 2 x 200 + 6000) / total kilometres driven; overall flat rate of 35%. <p>Note 1: Methods 1 and 2 may be used in combination. When choosing one particular method, this applies for an entire financial year. Another option is to opt for an overall % per vehicle category. Method 3 applies to all vehicles (other than those referred to in Article 45,§2, second paragraph, parts A through E) of the Belgian Law on VAT) and for a period of four years.</p> <p>Note 2: different method for (fiscal) light-duty trucks.</p> <p>Note 3: No deduction limit if the economic activity consists of the regular sale or rental of private vehicles, including the provision of replacement cars.</p>

40% of the benefit in kind (voordeel van alle aard, VAA) is separately disallowed (or 17% if the employer does not bear any fuel costs). Specifically for personal income tax (personenbelasting, PB):

Costs to be allocated according to the number of kilometres driven:

- portion relating to purely professional travel: see tables (cf. below);
- portion relating to commuting (home–work travel): lump sum of EUR 0.15 per km;
- portion relating to purely private travel: not deductible.

A) ZERO-EMISSION VEHICLES (FULLY ELECTRIC, HYDROGEN, ETC.)

Date of purchase/lease/rental	Personal income tax: deductibility in 2026 (assessment year 2027)*	Corporate income tax: deductibility in 2026 (assessment year 2027)*
up to and including 31/12/2026	100%	100%

*vehicle costs and electricity costs

B) VEHICLES RUNNING FULLY ON FOSSIL FUELS

Vehicle costs and fuel costs are deductible according to the following gram formula:

120% – [0.5% × fuel type coefficient × CO2 emissions in g/km], where the **coefficient:**

= 1 for vehicles powered solely by a diesel engine (excluding diesel plug-in hybrids);

= 0.90 for vehicles powered by a natural gas engine (CNG; not LPG), provided the taxable power is less than 12 fiscal horsepower;

= 0.95 for vehicles with another type of engine, such as petrol vehicles (including petrol plug-in hybrids), LPG or biofuel vehicles, diesel plug-in hybrids, and electric vehicles.

Date of purchase/lease/rental	Personal income tax: deductibility in 2026 (assessment year 2027)*	Corporate income tax: deductibility in 2026 (assessment year 2027)*
up to and including 31/12/2017	the gram formula: <ul style="list-style-type: none"> minimum 70% (also if CO2 > 200 g/km or unknown to the Belgian Vehicle Registration Authority (Dienst voor Inschrijving van Voertuigen, DIV)); maximum 100%. 	de gramformule: <ul style="list-style-type: none"> minimaal 50%; maximaal 100%; 40% indien CO2 > 200 g/km of niet gekend bij DIV.
01/01/2018 up to and including 30/06/2023	the gram formula: <ul style="list-style-type: none"> minimum 50%; maximum 100%; 40% if CO2 > 200 g/km or unknown to the DIV. 	the gram formula: <ul style="list-style-type: none"> minimum 50%; maximum 100%; 40% if CO2 > 200 g/km or unknown to the DIV.
01/07/2023 up to and including 31/12/2025	the gram formula: <ul style="list-style-type: none"> no minimum; maximum 50%; 0% if unknown to the DIV. 	the gram formula: <ul style="list-style-type: none"> no minimum; maximum 50%; 0% if unknown to the DIV.
As from 01/01/2026	Non-deductible	Non-deductible

*vehicle costs and electricity costs

C) PLUG-IN HYBRID VEHICLES

The deductibility regime for these vehicles has two different formulas: **the standard gram formula** (for plug-in hybrid vehicles acquired up to and including 31/12/2025) and **the adjusted gram formula** (for plug-in hybrid vehicles acquired as from 1/01/2026 and only in personal income tax).

- Vehicle costs and fuel costs are deductible according to the following **gram formula**:
 $120\% - [0.5\% \times \text{fuel type coefficient} \times \text{CO2 emissions in g/km}]$, where the **coefficient**:
 = 1 for vehicles powered solely by a diesel engine (excluding diesel plug-in hybrids);
 = 0.90 for vehicles powered by a natural gas engine (CNG; not LPG), provided the taxable power is less than 12 fiscal horsepower;
 = 0.95 for vehicles with another type of engine, such as petrol vehicles (including petrol plug-in hybrids), LPG or biofuel vehicles, diesel plug-in hybrids, and electric vehicles.
- Adjusted gram formula**: deductible rate for both vehicle costs and fuel costs (not for electricity costs):
 $= 120\% - [0.5\% \times \text{CO2 emissions in g/km}]$

Date of purchase/lease/rental	Personal income tax: deductibility in 2026 (assessment year 2027)*	Corporate income tax: deductibility in 2026 (assessment year 2027)*
up to and including 31/12/2017	vehicle costs + fuel costs + electricity costs : gram formula <ul style="list-style-type: none"> minimum 70% (also if CO2 > 200g/km or unknown to the DIV); maximum 100%. 	vehicle costs + fuel costs + electricity costs : gram formula <ul style="list-style-type: none"> minimum 50%; maximum 100%; 40% if CO2 > 200 g/km or unknown to the DIV.
01/01/2018 up to and including 31/12/2022	vehicle costs + fuel costs + electricity costs : gram formula <ul style="list-style-type: none"> minimum 50%; maximum 100%; 40% if CO2 > 200 g/km or unknown to the DIV. 	vehicle costs + fuel costs + electricity costs : gram formula <ul style="list-style-type: none"> minimum 50%; maximum 100%; 40% if CO2 > 200 g/km or unknown to the DIV.
01/01/2023 up to and including 30/06/2023	vehicle costs + electricity costs : gram formula <ul style="list-style-type: none"> minimum 50%; maximum 100%; 40% if CO2 > 200 g/km or unknown to the DIV. fuel costs : gram formula <ul style="list-style-type: none"> maximum 50%; 40% if CO2 > 200 g/km or unknown to the DIV. 	vehicle costs + electricity costs : gram formula <ul style="list-style-type: none"> minimum 50%; maximum 100%; 40% if CO2 > 200 g/km or unknown to the DIV. fuel costs : gram formula <ul style="list-style-type: none"> maximum 50%; 40% if CO2 > 200 g/km or unknown to the DIV.

01/07/2023 up to and including 31/12/2025	vehicle costs : gram formula <ul style="list-style-type: none"> no minimum; maximum 75%, or maximum 100% if CO2 < 50 g/km; electricity costs : 100%. fuel costs : gram formula <ul style="list-style-type: none"> maximum 50%; 0% if CO2 > 200 g/km or unknown to the DIV. 	vehicle costs + electricity costs : gram formula <ul style="list-style-type: none"> no minimum; maximum 50%; 0% if CO2 is unknown to the DIV. fuel costs : gram formula <ul style="list-style-type: none"> maximum 50%; 0% if CO2 is unknown to the DIV.
01/01/2026 up to and including 31/12/2026	vehicle costs : the <u>adjusted</u> gram formula <ul style="list-style-type: none"> no minimum; maximum 100% or 75% if CO2 > 50 g/km; electricity costs : 100%; fuel costs : 0%.	Non-deductible

Note on 'false' plug-in hybrid vehicles

- These are plug-in hybrid vehicles equipped with an electric battery whose energy capacity is < 0.5 kWh per 100 kg vehicle weight or where the CO2 emissions exceed 50 g/km (or exceed 75 g/km if the vehicle complies with the Euro 6ebis standard or later standards).
- Consequence: CO2 emissions of a corresponding non-plug-in model, or if that does not exist, the official CO2 emissions × 2.5.
 - Exception: a plug-in hybrid vehicle purchased, rented or leased before 1 January 2018 cannot qualify as a 'false' plug-in hybrid vehicle.

EXPENSE TYPE DESCRIPTION	INCOME TAX	VAT
Specific rules		
Non-deductible VAT	Deductible as per general rule	Not applicable
Vehicle registration tax	Deductible as per general rule	Not applicable
Maintenance and repair expenses (including following accidents), car safety expenses, inspection, breakdown assistance, air conditioning, alarm, GPS and other accessories	Deductible as per general rule	General rules Note: deduction limit does not apply to mobile GPS devices.
Fuel expenses (diesel, benzene, electricity and LPG) and add-ons	Deductible as per general rule	General rules Conditional on submission of invoice Receipts alone do not give right to deduction
Toll fees	Deductible as per general rule	General rules Conditional on submission of invoice
Carwash	Deductible as per general rule	General rules Conditional on submission of invoice
Expenses incurred for storing fuel (storage tanks and proprietary pumps)	100% deductible	100% deductible
Traffic fines	See fines	Not applicable
Application of publicity and advertising materials (i.e. using paint or non-removable signs)	Deductible as per general rule	100% deductible
Building parking (own vehicle)	100% deductible	100% deductible
Client, supplier and employee parking	100% deductible Employee parking only pertains to employees' own personal vehicles. In the case of company vehicles, deductions will be made according to the general rule.	100% deductible
Taxi expenses (business travel)	75% deductible	100% deductible if purely for business purposes Note: if this falls under hospitality and receptions expenses: different rules apply.
Hands-free kit and associated installation expenses	100% deductible	Max. 50% deductible
Speed camera detectors (e.g. Coyote)	Deductible as per general rule	General rules
Finance expenses	100% deductible	General rules

EXPENSE TYPE DESCRIPTION	INCOME TAX	VAT
Rent, lease, hire, etc.	Deductible as per general rule Note: financial expenses are only 100% deductible provided the contract term is of min. 24 months and that a separate entry appears on the invoice.	General rules
Billable expenses	Billable vehicle expenses are 100% deductible on behalf of the issuer of said invoice, provided that these expenses are for the same amount (not flat-rate), explicitly and separately stated on the invoice. The deduction limit applies only to the end user (recipient of the invoice).	There is in principle a double deduction limitation when passing on car expenses. For the issuer of the invoice: <ul style="list-style-type: none"> 50% deductible; 100% deductible only if charged within a VAT unit. For the recipient of the invoice: <ul style="list-style-type: none"> if charged "as such": see General rule, so max. 50% deductible; if charged as "accessory follows principal": 100% deductible (if the principal is deductible); the purchase of or services related to a passenger car for rental: 100% for the lessor if it is a regular activity.
Capital gains on sale of private vehicle	Limited taxable % = total amortisation assumed for sale for tax purposes/total recognised amortisation Note: staggered taxation is possible provided conditions are met (already 5 years as a fixed asset, qualifying reinvestment)	Not applicable
Loss on sale of private vehicle	Limited deductible % = total amortisation assumed for sale for tax purposes/total recognised amortisation	Not applicable
Overseas vehicle expenses	General rules	VAT recoupable according to applicable overseas rules
Reimbursement of vehicle expenses to employees, directors or managing directors	General rules Reimbursed expenses designated as benefit in kind or commuter allowance (and listed on payslip): 100% deductible	Not applicable
40% of the benefit in kind (if fuel expenses are not borne by the employer, this amounts to 17%)	Non-deductible	Not applicable

EXPENSE TYPE DESCRIPTION	INCOME TAX	VAT
Charging stations for electric vehicles	<p>100% deductible</p> <p>Temporarily increased cost deduction for investments:</p> <ul style="list-style-type: none"> 01/09/2021 to 31/03/2023: 200 % 01/04/2023 to 31/08/2024: 150% <p>Conditions increased cost deduction for charging stations:</p> <ul style="list-style-type: none"> have been obtained or established in a new state; be publicly accessible; be intelligent; depreciated linearly over at 5 five taxable periods; no application investment deduction. <p>The increased cost deduction is processed (fiscally) into the corporate income tax return. Nothing needs to occur in terms of accounting.</p>	<p>Installation at a company:</p> <ul style="list-style-type: none"> 100% deductible if the installation is used exclusively for performing VAT-taxable transactions within the framework of economic activity; no deduction for free use by third parties. <p>Installation at an employee's home:</p> <ul style="list-style-type: none"> if the employee pays compensation at normal value for the charging station (purchasing, renting or leasing from the employer), or if this is done through a reduction in net salary or via a so-called cafeteria plan: 100% deductible; if the charging station is provided free of charge, or if against a reduction in gross salary: deductibility to the extent of the professional use of the electric car made available to the employee, but no maximum deductibility of 50% applies.
Solidarity contribution/CO2 contribution	100% deductible	Not applicable

2. CORPORATE GIFTS

EXPENSE TYPE DESCRIPTION	INCOME TAX	VAT
General rules	<p>50% deductible</p> <p>Non-deductible VAT is also 50% deductible.</p>	<p>Cost < €50 (excl. VAT)/gift: VAT deductible</p> <p>Cost ≥ €50 (excl. VAT)/gift: VAT non-deductible</p> <p>Note: No deduction is allowed if two or more gifts, each valued at less than €50, are given to the same recipient and their combined value equals or exceeds €50.</p>
Specific rules		
Wine and aperitifs	<p>50% deductible</p> <p>Non-deductible VAT is also 50% deductible.</p>	General rules
Tobacco products and spirits (> 22°)	50% deductible	<p>In general, VAT never deductible,</p> <p>Unless:</p> <ul style="list-style-type: none"> intended for resale; intended for processing into food and beverages for sale; intended for on-site consumption or processing into food and beverages to be consumed on-site; intended to be offered to customers or potential customers as a trade sample; intended to be used in the context of a tasting.
Individual gifts to employees	Not deductible (unless listed on payslip)	VAT non-deductible
Foreign business travel with gifts	Gifts handed over during foreign business trips are 100% deductible. It makes no difference whether the gifts were purchased in Belgium or abroad.	General rules
Advertising materials	If the name of the donor is permanently and prominently on show, it is considered a consumer item of low value and widely distributed: 100% deductible.	100% deductible under the same income tax conditions. (special arrangement for joint offers)

EXPENSE TYPE DESCRIPTION	INCOME TAX	VAT
Trade samples	100% deductible if it concerns products sold by the company itself	100% deductible provided that: <ul style="list-style-type: none"> the nature of the goods distributed does not differ from the goods sold or manufactured by the company; not necessarily contained in any special packaging; not necessarily with any explicit reference. <p>Note: caution if goods have same packaging: proof of distribution required.</p>
Sponsorship	100% deductible in the case of publicity	<p>Paid sponsorship:</p> <ul style="list-style-type: none"> in return for publicity: VAT applicable (unless sponsored = exempt or non-taxable). VAT on advertising invoice deductible; without compensation: no VAT implications. <p>Sponsorship in kind:</p> <ul style="list-style-type: none"> in exchange for publicity: exchange (mutual) billing required with VAT (unless exempt); without compensation: VAT adjustment on relinquished goods.
Mail-order gift items	100% deductible if awarded alongside customer purchases	VAT deduction dependent on specific situation. Pay close attention to regulations on joint offers!
Admission ticket/subscription to cultural or sports events for business relations	100% deductible if regarded as advertising expenses (demonstrate publicity grounds).	Non-deductible.
Day trips with employees (travelling by coach)	100% deductible	100% deductible
Day trips with retired employees (travelling by coach)	Non-deductible	Non-deductible
Tombola gifts and approved lottery draws	100% deductible	Non-deductible
Gifts to employees (social and collective) on the occasion of Saint Nicholas, Christmas, birthdays, etc. in the form of benefits in kind, cash or gift vouchers	Deductible up to €40 per year per employee On the occasion of Saint Nicholas celebrations or any other celebration with the same social purpose: additional amount of max. €40 per year for any dependent children of the employees.	VAT deductible if: <ul style="list-style-type: none"> in accordance with the general rule (< €50); gifts are of a collective nature; considered a social benefit for income tax purposes; no tobacco products or spirits.

EXPENSE TYPE DESCRIPTION	INCOME TAX	VAT
Gifts (social and collective) on the occasion of an honourable award to an employee as a benefit in kind, cash or gift certificate	Deductible for max. €120 per year per employee;	VAT deductible if: <ul style="list-style-type: none"> in accordance with the general rule (< €50 VAT. excl.); gifts are of a collective nature; considered a social benefit for income tax purposes; no tobacco products or spirits.
Gifts (social and collective) on the occasion of an employee's retirement as a benefit in kind, cash or gift certificate	Deductible for max. €40 per full year of service that the employee was employed with a minimum of €120. In the event of the employee taking full early retirement, the employer may give one or more gifts insofar as the amount is no greater than €40 for each full year of service (up to early retirement) with a minimum of €120. From that point onwards, deductible gifts can no longer be assigned in the event the employee retires later.	VAT deductible if: <ul style="list-style-type: none"> in accordance with the general rule (< €50 VAT. excl.); gifts are of a collective nature; considered a social benefit for income tax purposes; no tobacco products or spirits.
Billable expenses	In principle: 50% limit for whoever passes on the cost. Exception: 50% limit for the party to whom the cost is passed on to on a one-to-one basis, provided explicit and separate mention of it to the invoice. 100% deductible for the issuer.	<p>If it concerns the main share: 100% deductible for the issuer of the invoice; not deductible for the recipient of the invoice (unless < 50 euros, see general rule).</p> <p>If secondary to a main operation: not deductible for the issuer of the invoice (unless < 50 euros; see general rule); 100% deductible for the recipient of the invoice.</p>

3. HOSPITALITY AND RECEPTION EXPENSES

EXPENSE TYPE DESCRIPTION	INCOME TAX	VAT
General rules	50% deductible Non-deductible VAT is also 50% deductible	VAT non-deductible
Specific rules		
Receiving employees on the occasion of Saint Nicholas, Christmas, New Year, Patron Saint's Day celebration, retirement, etc.	100% deductible if organised only once a year (unless in the case of retirement) and provided for the entire workforce	VAT 100% deductible: if entirely catered (preparation and serving of food and drink) by own employees. If food and drink prepared by employees is served by restaurant staff or caterer: deduction on food and drink, but no VAT deduction for the caterer/restaurant owner. If the caterer or restaurateur serves their own food and drink (total service), VAT is completely non-deductible. Note: entitled to deduction if spouses are present. No deduction for spirits, tobacco products or accommodation.
Promotional events, product launches, open days and demonstrations (publicity purposes)	<ul style="list-style-type: none"> 100% deductible for expenses relating to premises, amortisations, personnel, furniture, etc., provided that this part is separated from the reception expenses on the invoice 100% deduction for cost of goods and promotional items 	VAT non-deductible for expenses incurred to create a generally positive atmosphere around the company. VAT 100% deductible on expenses related to direct sales and publicity for specified products and services. This 100% deductibility also applies to the reception costs, drinks and catering portion, if the event concerns publicity/promotion.
Wedding receptions	50% deductible Note: deductible to the amount required for the business part, to be proved via list of invited relatives. There are ongoing discussions between the administration and the judiciary, so dependant on the outcome	VAT non-deductible
Weddings	Restaurant expenses: 69% Note: deductible to the amount required for the business part, to be proved via list of invited relatives. Private weddings hold no business relevance.	VAT non-deductible

EXPENSE TYPE DESCRIPTION	INCOME TAX	VAT
Flowers for decorating company premises (including offices, waiting rooms and reception areas)	<ul style="list-style-type: none"> reception expenses part 50% deductible 100% deductible if within the office space 50% deductible for flowers in reception areas 	100% deductible Also for goods used to decorate reception areas and waiting rooms.
Service club charges and membership fees (Lions, Rotary, etc.)	Non-deductible Note: 50% deductible if it can be demonstrated that membership is required to establish contacts and maintain relationships from which taxable business income may arise.	Not applicable
Professional body membership fees	100% deductible	Not applicable
Guard dogs for and in the company	100% deductible Dog maintenance expenses (food, veterinary consultations): also 100% deductible.	100% deductible Maintenance costs also 100% deductible
Billable expenses	In principle: 50% limit for whoever passes on the cost. Exception: 50% limit for the party to whom the cost is passed on to on a one-to-one basis, provided explicit and separate mention of it to the invoice. 100% deductible for the issuer.	If it concerns the main share: 100% deductible for the issuer of the invoice; in principle not deductible for the recipient of the invoice (see rules above). If secondary to a main operation: in principle not deductible for the issuer of the invoice (see rules above); 100% deductible for the recipient of the invoice (if the main item is deductible).

4. RESTAURANT EXPENSES

EXPENSE TYPE DESCRIPTION	INCOME TAX	VAT
General rules	69% deductible. Non-deductible VAT is also 69% deductible.	VAT non-deductible
Specific rules		
Restaurant expenses on weekends and public holidays	69% deductible provided business relevance is proven	VAT non-deductible
Restaurant expenses overseas (we are not talking simply grabbing a bite just over the border here)	69% deductible.	VAT recoupable in accordance with applicable overseas rules and restrictions.
Restaurant expenses incurred by employees working outside the company on assignment	100% deductible for employees working over 6 hours in a day.	100% deductible Conditional: invoice necessary, VAT receipt not sufficient.
Billable expenses	In principle: 69% limit for whoever passes on the cost. Exception: 69% limit for the party to whom the cost is passed on to on a one-to-one basis, provided explicit and separate mention of it to the invoice. 100% deductible for the issuer.	If it concerns the main share: 100% deductible for the issuer of the invoice (provided that this is expressly and separately stated on the invoice); in principle not deductible for the recipient of the invoice (see rules above). If secondary to a main operation: in principle not deductible for the issuer of the invoice (see rules above); 100% deductible for the recipient of the invoice (if the main item is deductible).
Weddings	69% deductible for restaurant expenses. 100% deductible for the remaining expenses. Note: deductible to the amount required for the business part, to be proved via list of invited relatives. Private receptions hold no business relevance.	VAT non-deductible
Free and collective dispensing of coffee, soup, tea, soft drinks, etc. to employees	100% deductible	100% deductible
Food industry representative in a supplier-customer relationship at a dinner with a potential customer, along with demonstration and tasting expenses	100% deductible	VAT non-deductible

EXPENSE TYPE DESCRIPTION	INCOME TAX	VAT
Social meals for employees and/or management in company canteen	100% deductible subject to min. employee contribution of €1.09. If less than €1.09 contributed: the employee contribution x number of meals not deductible as a social benefit.	VAT non-deductible if no charge. If compensation is requested: the company is considered a restaurant owner and owes VAT on the fee. In such context, VAT on expenses is 100% deductible.
Providing meals to business associates	69% deductible for restaurant expenses Note: If fully billable: 100% deductible	VAT non-deductible if no charge. If compensation is requested: the company is considered a restaurant owner and owes VAT on the fee. In such context, VAT on expenses is 100% deductible.
Restaurant expenses for the entire staff organised on the occasion of St Nicholas, Christmas, retirement, etc.	100% deductible if organised only once a year (except for retirement). Condition: It is organised for all employees at a low cost, as well as being social in nature and non-exclusive. If not: 100% dismissed as social benefit.	VAT non-deductible
Restaurant expenses for study day, seminar, etc.	69% deductible if restaurant expenses are invoiced separately. If a global invoice is issued, there is a risk that the entire invoice will be subject to the deduction limit.	<ul style="list-style-type: none"> If meal secondary in nature (max. 15% of total seminar cost): invoice with 21% and full right of deduction. If meal is major part of proceedings (>15%): invoice with 21% (seminar + drinks) and 12% (meal). Only entitled to deduction for seminar.
Restaurant expenses included in hotel bills	69% deductible if restaurant expenses are invoiced separately. If a global invoice is issued, there is a risk that the entire invoice will be subject to the deduction limit.	VAT non-deductible Exceptions: <ol style="list-style-type: none"> meal expenses incurred by employees outside the company entrusted with delivery or performance of service; billable meal expenses. Condition: for the deduction, the company must have a correct invoice.
Free drinks on the occasion of restaurant or café opening	69% deductible.	VAT non-deductible
Restaurant expenses for cultural and sporting events	69% deductible. Other expenses (e.g. admission tickets): 100% deductible as publicity expenses. Condition: company name must be clearly visible.	VAT non-deductible

5. FINES

EXPENSE TYPE DESCRIPTION	INCOME TAX	VAT
General rules	Non-deductible	Not applicable
Specific rules		
Proportional VAT fines	Non-deductible	Not applicable
Non-proportional VAT fines	Non-deductible	Not applicable
Parking fines (other than parking expenses, such as parking day rates)	Non-deductible	Not applicable
Parking day rates (equate to parking expenses such as parking day rates)	These constitute vehicle expenses, not fines, and therefore subject to vehicle-related deduction limit.	Not applicable
Traffic fines and out-of-court settlements	Non-deductible	Not applicable
Employee traffic fines	Non-deductible Risk of being hit by hidden commission Note: fines are, however, 100% deductible if included as a benefit in kind on the employee's payslip.	Not applicable
Fine for late submission of yearly financial statements	Non-deductible	Not applicable
Hidden commission fees	Non-deductible	Not applicable

6. SOCIAL BENEFITS

EXPENSE TYPE DESCRIPTION	INCOME TAX	VAT
General rules	Non-deductible	VAT non-deductible if private in nature, but VAT deductible if collective in nature
Specific rules		
Occasional use of company accommodation by employees for sport, culture or leisure activities	100% deductible	VAT 100% deductible Condition: it pertains to a collective social benefit.
Specific professional training for employees	100% deductible	100% deductible
Complimentary commuting for employees by coach	100% deductible	100% deductible
Company bicycle	100% deductible (in personal income tax, deductibility can be 120%) Condition: bicycles are provided to the employee to be used for commuting.	Deductibility limited to professional use (in principle, demonstrate actual use; a flat-rate scheme is on its way).
Marriage bonus (benefit in kind, cash or gift voucher)	100% deductible Condition: must not exceed €245 (can also apply to legal cohabitation). Note: if amount is exceeded, then only the excess will be taxable as a benefit in kind.	Not applicable
Meal vouchers	Meal vouchers granted as from 1/01/2026: the employer's contribution is tax-deductible up to 4 euros provided that the employer pays the maximum contribution of 8.91 euros per voucher. Lower contributions remain tax-deductible up to the existing maximum of 2 euros (provided that the employee or company director contributes at least 1.09 euros per voucher themselves). Note: cannot be combined with an expense allowance for the same meal on the same day.	VAT charged on the issuing firm's management fee is 100% deductible

EXPENSE TYPE DESCRIPTION	INCOME TAX	VAT
Sports and cultural vouchers	<p>Not deductible for the employer. Exempt social benefit for employees and managers provided that:</p> <ul style="list-style-type: none"> granting set out in collective or individual agreement; vouchers in the name of the employee/manager; vouchers valid for max. 15 months; total amount €100 per year per employee; not redeemable for cash; no substitution for wages. 	VAT charged on the issuing firm's management fee is 100% deductible
'Ecocheques'	<p>Non-deductible for employer. Exempt social benefit for employees and managers provided that:</p> <ul style="list-style-type: none"> granting set out in collective or individual agreement; agreement must determine highest face value of voucher, with max. €10 per voucher along with the frequency of its allocation throughout a calendar year; vouchers in the name of the employee or manager; valid for max. 24 months; for purchasing eco-friendly products or services only; valid for max. €250 per year per employee; not redeemable for cash; not as a substitute for wages. 	VAT charged on the issuing firm's management fee is 100% deductible

EXPENSE TYPE DESCRIPTION	INCOME TAX	VAT
Seniority bonus (benefit in kind, cash or gift voucher)	<p>Non-deductible for employer. Exempt social benefit for employee, granted max. twice over the course of a career:</p> <ul style="list-style-type: none"> first time at the earliest in the calendar year in which the employee has been employed by the employer for 25 years and at max. one time the employee's gross monthly salary (before deduction of social security contributions) or max. one time the average gross monthly salary within the company; second time at the earliest in calendar year in which the employee has been employed by the employer for 35 years and at max. twice the employee's gross monthly salary (before deduction of social security contributions) or max. twice the average gross monthly salary within the company. <p>If limit amounts are exceeded, only the excess is taxed to the employee as benefit in kind.</p> <p>Note: if these conditions are not met, benefit in kind for the employee and a deductible professional expense for the employer.</p>	Not applicable

7. OTHER EXPENSES

EXPENSE TYPE DESCRIPTION	INCOME TAX	VAT
Works of art	Non-deductible Exception: decorative and subject to depreciation (matter of fact)	VAT non-deductible if purchased as an investment, whose value does not decrease as a result of use. Note: if VAT is non-deductible, then any subsequent resale can also be made without VAT. No deduction where a special profit margin scheme applies to purchase.
Unreasonable expenses	Non-deductible, but dependent on the outcome!	Non-deductible, but dependent on the outcome!
Non-specific professional attire	Non-deductible Exception: deduction limit for the party to whom the cost is passed on to on a one-to-one basis, provided explicit and separate mention of it to the invoice. 100% deductible for the issuer.	Non-deductible Billable expenses: <ul style="list-style-type: none"> if it concerns the main share: 100% deductible for the issuer of the invoice; not deductible for the recipient of the invoice; If secondary to a main operation: not deductible for the issuer of the invoice; 100% deductible for the recipient of the invoice (if the main transaction is deductible).
Specialised publications	100% deductible Condition: publication should be beneficial for practice of the profession in question.	100% deductible. Condition: publication should be beneficial for practice of the profession in question.
Acquisition costs of sites or land (notary fees, appraisal costs, etc.)	Immediately and 100% eligible as business expenses (via depreciation)	VAT on any costs is 100% deductible
Property tax	Business component 100% deductible (form 270 MLH required unless invoiced)	Not applicable
Hospitalisation insurance	Non-deductible	Not applicable
Phone bill: reimbursement to employees	100% deductible if reported as costs proper to the employer, form 281	Not deductible if invoice made out in name of the employee
Insurance against loss of earnings	100% deductible	Not applicable

EXPENSE TYPE DESCRIPTION	INCOME TAX	VAT
Mutuelle excess contributions	Non-deductible	Not applicable
Regional taxes, levies and fees as well as related increases, surcharges, costs and interest on arrears (excluding certain financing and regional taxes)	Non-deductible Exceptions: tax on gambling and betting, inheritance tax, gift tax, property tax, truck mileage tax, registration duties, etc.	Not applicable
Mobile subscription	Deductible to the extent (%) of business use	Deductible to the extent (%) of business use
Tax on boarding an aircraft	Non-deductible	Not applicable

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