

Special investment deduction for digital investments

Thanks to the investment deduction companies investing in certain new depreciable fixed assets obtain a tax incentive. Entrepreneurs receive a tax deduction of a certain percentage of the invested amount. For smes and entrepreneurs-individuals a new possibility occurs: investment deduction for digital investments.

Repeating: investment deduction

The investment deduction is a tax advantage allowing tax payers to exempt part of their profit amounting to a part of the purchase or investment value of the investments they make. To be entitled to this deduction the assets should meet some conditions: (i) the (im)material fixed assets (ii) which are obtained newly or created are (iii) used in Belgium to perform a professional activity.

There are two kinds of investment deduction: one-off and spread. The one-off investment deduction is a one-off deduction amounting to a certain percentage of the investment. The spread investment deduction is based on the annual depreciation of the investment, and is applied as long as the asset is depreciated.

The one-off investment deduction is divided into the normal and the increased investment deduction. The normal investment deduction has been decreased to zero. Currently only the increased investment deduction applies. In order to benefit from its investments in certain assets should be made: assets which are used to promote the research and development of new products and future technologies, energy saving investments, patents, investments in security of the professional premises and vehicles, sea-going vessels and smoke extraction and aeration systems (for the hospitality industry).

New: investment deduction for digital investments?

Digital investments are now added to the list of allowed investments. More precisely investments in digital security are concerned. Think about investments for the integration and exploitation of digital payment and invoicing systems and systems protecting information and communication technology. The acquired assets (hardware and software) should be new, depreciated over a period of at least three years and used for a professional activity in Belgium. The supplier of the investments supplies a certificate confirming that the investment meets all conditions for the deduction.

This new deduction can be applied as from tax year 2016. The percentage amounts to 13,50%. An investment of 10.000€ provides an investment deduction of 1.350€. As from tax year 2016 means income 2015. In other words: investments made during the last year meeting the requirements, will already provide you with the digital investment deduction.

The digital investment deduction is always one-off. There is no possibility to spread the advantage of the depreciation period of the acquired assets. This digital investment deduction only applies to small companies and entrepreneurs-individuals meeting the criteria of article 15 of the Belgian Companies Code.

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