

## Benefit in kind for housing calculated day by day

The tax authorities have changed their calculation rules for the benefit in kind in case an employee or company director obtains free housing in an immovable property, but makes use of the house only during a part of the year. In such case the amount of the benefit in kind can be reduced following the use of the house. As from now it is no longer calculated per month, but day by day.

### Free housing = benefit in kind

When an employee or a director obtains free housing from its employer/company, he obtains a benefit in kind. Such benefit in kind is taxable.

### In case the employee only disposes of the house during a part of the year

In case the employee or the director cannot make use of the house during the full year, this will have an impact on the benefit in kind. The value of the benefit in kind is adapted in function of the period the person can make use of the house = pro rata.

### Calculated day by day

In their circular letter of 19 December 2016 the tax authorities have decided to calculate the pro rata day by day.

#### Example

Jan is director of his own company. As from 4 June 2017 he obtains from his company the free use of a house. The benefit in kind for this house amounts to 1.500€ for whom disposes of the house during the entire year. Jan only disposes of the house during a part of 2017: as from 4 June until 31 December 2017 = 211 days.

The benefit in kind for 2017 then becomes:  $1.500 \times 211/365 = 867,12\text{€}$ .

Imagine that Jan can only dispose of the house as from 19 June. Then he disposes of the house 196 days in 2017 and the benefit in kind is calculated as follows:  $1.500 \times 196/365 = 805,47\text{€}$ .

### Difference with the past

Until end 2016 the pro rata was calculated in function of the number of months the house was used. When the tax payer had the use of the house at the 16th of the month, that month was taken into consideration, otherwise not.

If we use the example above, we see how the previous calculation method differs from the new one.

**Example**

*In case Jan disposes of the house at 4 June 2016: he disposes of the house at the 16th of the month, so June is taken into consideration. The benefit in kind amounts to 7/12 of 1.500€ = 875€.*

*If Jan could only dispose of the house as from 19 June, he doesn't have the house at his disposal at the 16th of the month and June is not taken into consideration. The benefit in kind amounts to 6/12 of 1.500€ = 750€.*

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**Starting when?**

The tax payer can opt to apply the new calculation method for the tax years 2015 until 2017.

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