

Personal tax return 2016: novelties tax year 2016

The personal tax return form for tax year 2016 (income of 2015) has in the meantime been published in the Belgian Official Gazette. A quick view on the tax return makes one thing immediately clear: it becomes again longer (more than 800 codes) and more complicated. We guide you through the novelties section by section.

Before we zoom in on the specific changes, an extra hint to know whether you are filing out a code for which the federal government or the region is competent: the 'federal' codes always start with 1 or 2, the 'regional' codes with 3 or 4.

Section I. Filling out email address

Section I. is the section where you have to fill out your bank account, telephone number etc. Normally the tax authorities have this information, you should only fill these out if something changes. For the first time tax authorities now also ask for an email address where you can be reached. The title is also somewhat changed in 'Bank account, telephone number and email address'.

Section IV. Overtime

In case you have worked overtime, you should now also report the total amount of effectively performed overtime given right to an overtime allowance limited to 360 hours. These should be filled out in section IV.G.1., in the new codes 1317-41 and 2317-11.

Section V. Pension saving and professional withholding tax

In section V. changes are made both under header A as header B.

Header A.3. is meant for who makes pension savings. You should report under codes 1222-39 and 2222-09 the amount of the savings, capital and redemption values which are separately taxable at 8%.

Header V.B. is to be used for professional withholding tax. This header is as from now split up in two codes: (i) codes 1225-36 and 2225-06 for the part of the professional withholding tax which is deductible and repayable and (ii) the new codes 1425-30 and 2425-97 for the part which is deductible, but not repayable.

Section IX. Living bonus

Section IX. has as official title: "Interest and capital repayments of loans and debts, premiums for individual life insurances and leasehold and usufruct allowances of similar payments, giving right to a tax advantage". It is in other words the section for everyone having a mortgage and willing to deduct this. The section for the living bonus, which is depending on the case federal (non-own house) or regional (own house, i.e. the house in which you actually live).

Traditionally, this is the section giving most of the problems. Many tax payers want to use it, but it has become desperately complicated. Depending on when you have entered into your mortgage (old loans before 2005, loans before 2015, loans as from 2015), depending on the region where you live and depending on whether the loan is for your own or non-own house, you have to fill out other codes. It is not simple to find your codes.

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Section X. Investing in a starter and 'Walloon' service cheques

If you have invested in the capital in a starting company (an investment for which in return you received shares), you have right to a tax deduction. If you want to enjoy this, you should fill out header X.J. The tax deduction depends on whether you invested in a micro-company (45%) or a small company (30%). Consequently this header is split up:

- investments in small companies have to be reported in the new codes 1318-40 and 2328-10;
- investments in micro companies have to be reported in the new codes 1320-38 and 2320-08.

The Walloon Region has tinkered with the service cheques scheme. Walloon tax payers should no longer report the amount they have spend, but only the number of used cheques. Only the first 150 service cheques give right to a tax reduction.

Section XIV. Loans to starters and Cayman tax

You can also invest in a starter in another way: by giving a loan. In section XIV.D. you can report the number of loans you have granted last year (in this case from the start of the scheme on 1 August 2015 until 31 December 2015) to starting companies through an official crowdfunding platform. Therefore you will fill out the new codes 1088-76 and 2088-46.

In section XIV there is another novelty. In the context of the Cayman tax the tax authorities want more information on legal constructions. That's why you have to fill out, as from this year, in section XIV.C. the name, address, number and legal form of the construction and if it concerns a trust, also the name and the address of the administrator.

Filing the return

Filing the return can as usual through Tax-on-Web. If you prefer to work on paper, that is possible. You should only send the tax return to the scanning center in Ghent or Namur or drop it in the mail box of your local tax office (the latter is only a 'tolerance' and is less sure than sending it officially to the scanning center).

The deadlines are:

- tax return on paper: 30 June;
- tax return via Tax-on-web: 13 July;
- tax return through a mandatory: 27 October.

Who does not file his return, will receive a reminder (during October/November). Who does not act at that time, can be fined for 50€ up to 1.250€ or receive a tax increase.