

Collaborative economy: which tax treatment is applicable?

Services in the 'collaborative economy', which are offered through online platforms such as Uber (taxi service) and thuisafgehaald.be, can from now on benefit from a special tax treatment. This income is separately taxed as sundry income at 20%. Moreover you can claim a cost lump sum of 50%. A nice and beneficial tax regime. But it does not apply to everyone. Some explanation.

What is 'collaborative economy'?

Private individuals use more often alternative methods to offer each other or to swap services and goods. Customers look for services and private suppliers through apps and online platforms such as Uber, Airbnb, kapaza, thuisafgehaald.be, etc. The whole system of mutual consumption is often referred to as 'collaborative economy'.

The tax treatment of income generated by private individuals in this way (e.g. offering a place to sleep, selling second hand goods) remained unclear for a long time. The legislator now offers for the first time an (unfortunately only partial) solution.

Tax treatment: actual tax rate of 10% on the first 5.000€

The income generated by a private individual from the services offered through such a platform are considered as *sundry income*. For this category of income, a separate rate of 20% is introduced. Since a lump sum of 50% of the income is considered as deductible costs, the actual tax rate amounts to 10%.

Example

Jan generates an income by offering services to other private individuals. Herewith he gains 2.000€ per year. He can deduct 50% or 1.000€ as costs. On the balance (1.000€) he pays 20% tax = 200€. In the end he pays 10% of his income (200€) as tax.

Watch out: only the lump sum cost deduction is allowed. It is not allowed to prove the actual professional costs.

This regime is only applicable up to an income of 5.000€ (indexed amount, base amount: 3.255€). If this threshold is exceeded, all income is considered as professional income. So watch out: if you exceed the threshold, you lose the complete application of this special scheme. Also the first 5.000€ will then be taxed as professional income at progressive tax rates.

Another warning: for 2016 the threshold amounts to 2.500€ since the regime came into force on 1 July.

Conditions

The services can only be provided to other private individuals. Services provided to someone using them for professional purposes, do not qualify.

The services provided can also not be the same as those offered by the person as a self-employed person in the scope of its professional activity. It is important to know that this limitation only applies to self-employed. A cook working under a self-employed contract in a restaurant, cannot supply meals under this special regime, while a cook working as an employee is entitled to do so.

Only those who operate through a recognized platform can benefit from this special regime. Both offering and payment of the services is made through the platform. The platform will withhold the tax. This also implies that who offers services through a platform, as well as through its own website, cannot apply this scheme.

What and what not: it is not as simple as it looks!

Unfortunately the legislator only worked out a partial solution, since there are a number of activities (in the collaborative economy) which do not fall in the scope of the new regime.

Services such as gardening and music lessons surely fall under this scheme.

Regrettably the legislator explicitly excluded two important types of activities. And these are two very popular activities in the collaborative economy: supply of goods and letting.

Supply of goods

We do not mean the occasional sale of second hand goods through a site like kapaza, ebay or tweedehands.be. These fall under the normal management of private assets and are not taxed.

It can be more difficult for someone supplying meals: is that a supply of goods? You can be sure. Who prepares and supplies a meal (such as thuisafgehaald.be) does fall in the scope.

Letting

Income from renting or letting movable or immovable goods is movable or immovable income. Letting a room through Airbnb does in principle not fall under this new scheme. We can make a little nuance: when letting out a room and supplying other additional services (breakfast, cleaning) can again fall under the special regime. In order to avoid discussions the share of the additional services in the total price for the room is set at 20%. Note that this lump sum is not applicable when (i) no additional services are provided, but only the room is let = falls completely out of scope or (ii) the additional services are charged separately = separate services fall under the new regime, the letting does not.

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