

The personal tax return 2014: novelties

The personal tax return for tax year 2014 is published. As is the case every year it contains a number of new codes, while other codes are deleted. It is remarkable that this year there are less codes, while the previous years extra codes were introduced. A number of unnecessary codes are deleted. On the other hand, due to changes in the law, new codes were needed.

Which codes disappear: withholding tax again simpler

In the return for 2013 a number of codes were added in order to report movable income correctly. Remember the fuss regarding the rich tax: a supplementary taxation of 4% on the 21% withholding tax which was due by tax payers obtaining (certain) movable income above 20.020€. Meanwhile the system has been reformed again: the rich tax does no longer exist, since it was replaced by a general withholding tax of 25%. This means that many codes are no longer required.

Which codes disappear: less tax reductions = less codes

Earlier we stated that during the last two years a lot of tax reductions were abolished. Therefore there is no need for a related tax code on the tax return. Of all the tax reductions for energy saving investments, only the reduction for roof isolation remains.

More codes for tax reductions are thereto deleted from the tax return:

- reduction for rebuilding houses in a positive city policy zone;
- bonds from the CIW (caisse d'investissement de Wallonie, comparable with the Flemish ARKimedees fund);
- electric vehicles;
- installation of a charging point for electric vehicles at home.

New code: split up of service vouchers between/after 1 July 2013

The maximum amount on which the 30% reduction is calculated, has been reduced to 1.380€ as from 1 July 2013. The rate of the advantage remains 30%. This means that service vouchers can give a maximum advantage of 414€. Since this change was introduced mid-year, you should split up the benefit in vouchers bought (paid) before 1 July and vouchers bought (paid) after 1 July. The tax certificate you need for the tax reduction will clearly state these amounts.

New code: rates for supplementary pensions

The taxation on supplementary company pensions was increased as from 1 July 2013. The rate is now, depending on the age of the beneficiary at the time of the payment, 20% (payment at the age of 60) or 18% (payment at the age of 61) or 16,5% (payment at the age of 62).

Also in this respect the necessary codes were added.

New code: opportunity work in the catering sector

Since last year there is a special regime for opportunity work in the catering sector: salary paid to opportunity workers in the catering business are separately taxed at 33%. For this change you will find as well a new code on the tax return.

New code: additional notification obligation for legal constructions

Finally a notification obligation is added: each founder or beneficiary of a legal construction (e.g. trust or foundation) should report this. This notification obligation is introduced besides the notification obligation for foreign bank accounts and life insurances.