

Novelties on the personal income tax return for 2017

It is again tax return season. Also this year the personal income tax return has become more extensive and complex. This is due to, how could it be different, the constantly more complex dwelling taxation. The changes in Flanders and Wallonia for loans granted as from 1 January 2016 are also reflected in the tax return form. Herewith we try to guide you through the tax return.

Dwelling taxation

Both in the Flemish as in the Walloon Community new rules apply for loans granted as from 1 January 2016:

- in Flanders the **integrated Flemish dwelling bonus** was introduced;
- in Wallonia as from this tax year the **cheque habitat** applies.

These changes have their repercussions on the tax return. Since it concerns regional measures, they only apply to the 'own house', being the house in which you live yourself.

Case IX of the tax return already was divided in column B for the 'own house' (for the regional dwelling bonus) and a column C for the 'non-own house' (for the federal tax advantage).

Under column B we now find:

- B1: for the integrated Flemish dwelling bonus - loans granted as from 1 January 2016
- B2: for the Walloon cheque habitat - loans granted as from 1 January 2016
- B3: the previous regional dwelling bonus for loans granted before 1 January 2016 and this year also the Brussels dwelling bonus (watch out this is being abolished for loans granted as from 1 January 2017)
- B4: other interests than in B1, B2 or B3, which are entitled to regional tax reduction
- B5: tax reduction for building savings and long term savings
- B6: premiums for individual life insurance contracts

For column C, the federal arrangement for who has a loan for a non-won house, nothing changes.

Reporting your loan yourself will not be easy. In case you have questions, you can seek assistance from an accountant. Your bank will automatically (through mortgage certificates) communicate the information to the tax authorities, but the correct codes will not be pre-filled in Tax-on-Web.

Movable income

For dividends and interests granted as from 1 January 2017 the standard rate for the withholding tax is increased up to 30%. Unfortunately a number of exceptions remain in place. This means that the applicable rate can vary from 5% over 10%, 15% and 17% up to 20%. All these different rates have an influence on the tax return, in particular for cases VII 'Movable income' and XVI 'Movable sundry income'.

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Other novelties

Other novelties in the tax return are:

- **overtime** in hospitality: case IV, column A12 - the codes are pre-filled out in Tax-on-Web.
- **SWT** and tax exempt swt-allowances. The tax exempt allowances should of course not be reported, but in order to identify the different kind of allowances and to calculate the reduction correctly, 10 new codes were added in case IV (columns D1a1 and E2a2). Also these codes will, when applicable, automatically be filled out in the tax return on Tax-on-Web.
- The Flemish win-win loan will have a Walloon counterpart, the **Coup de Pouce**. To be reported in case XI.

Deadlines

The deadlines are:

- tax return on paper: 29 June 2017;
- tax return via Tax-on-web: 13 July 2017;
- tax return through a mandatory: 26 October 2017.

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