

An arrangement with the tax authorities on your professional expenditure?

If you want to deduct your real professional expenditure instead of using the lump sum deduction, you should have the necessary supporting documents. Sometimes it is rather difficult to prove the correct amount. In order to solve this and to avoid discussions, you can conclude an arrangement with the tax authorities. This works as follows ...

What?

An individual arrangement is in fact an agreement between the tax payer and the tax authorities. This means that it applies to both parties and they cannot derogate. Next to this, all other conditions for a valid contract are applicable: subject, cause, consent and capacity of the parties ...

Such arrangement can be realized explicitly or tacit, e.g. when the tax inspector accepts your percentage of professional use just like that.

For what?

You can conclude an arrangement when there is no discussion about the reality of the expenditure (meaning that the tax authorities accept that it concerns professional expenditure), but when there is a discussion about the amount. This discussion can be on:

- the amount of the expenditure;
- the deductible percentage (e.g. you want to deduct 5% of your turnover as marketing expenditure);
- the professional part (e.g. you want to deduct 40% of your telephone expenses as professional expenditure).

Reconsidering an arrangement?

As explained above the arrangement is binding for both the tax payer and the tax authorities. If the tax payer derogates from the arrangement, he denounces the arrangement and it does no longer apply to the tax authorities.

The tax authorities can reconsider the arrangement when new facts are revealed. The end or the change of the arrangement will in such case however only apply for the taxable period following the one in which the tax authorities announced their new position: e.g. on 30 June 2013 they announce their new position; this will only apply as from the taxable period 2014.

Certainly the tax authorities can reconsider the arrangement when the tax payer has lied or has deliberately withheld information when making the arrangement.

What if I cannot obtain an arrangement?

If you do not obtain such an arrangement, the tax authorities should estimate the amount of the expenditure in a reasonable way. They can do this by e.g. comparing the tax payer with another 'similar' tax payer (persons of approximately the same age, in the same region, performing the same activity, with equal income).

The collective arrangement

Next to the individual arrangement, the tax authorities also enters into collective arrangements with a certain group of tax payers. The tax authorities will in such case assess the professional expenditure, after consultation with a professional body, for e.g.:

- representation expenditure;
- car expenditure;
- maintenance and office expenditure;
- ...

This technique has been applied for the professional expenditure of: lawyers, bailiffs and host mothers.

**COMPTAFID-Benelux NV SA
Brussels**

Bld. Edmond Machtensl. 180/100
B-1080 Brussels
Tel: +32 (0)2 410 75 75
www.comptafid.be

**COMPTAFID-Benelux NV SA
Antwerp**

Schijnparklaan 45
B-2900 Antwerp (Schooten)
Tel: +32 (0)3 658 89 02
www.comptafid.be

**COMPTAFID (Schweiz) AG
Zürich**

Seefeldstrasse 19 – Postfach
CH-8032 Zürich
Tel.: +41 44 250 2929
www.comptafid.ch

