

## Costs proper to the employer: new amount of mileage allowance

Federal civil servants receive as from 1 July 2013 an allowance of 0,3461€ per kilometer when they use their private car for professional travel. This lump sum amount is also applicable in the private sector. The tax authorities accept this amount as a lump sum reimbursement for mileage to employees using their private car for professional travel.

### Reimbursement of traveling expenses: own means of transport

The mileage allowance is a reimbursement of the costs made and paid for by the employee when using his private car for professional purposes. This allowance qualifies as 'costs proper to the employer' and is not considered as taxable income. It is charged to the employer. No social security contributions nor taxes are due.

Employers can pay mileage allowances in two different ways. They can repay the costs based on documents such as receipts and invoices for the correct amount or they reimburse a lump sum amount.

#### *Limitation of the allowance*

The federal government has determined for its civil servants a lump sum reimbursement of the costs relating to the use of a private car for professional purposes. This amount is indexed every year on 1 July and is published in a circular letter published in the Belgian Official Gazette. For the period as of 1 July 2012 until 30 June 2013 they received 0,3456€. As from 1 July 2013 the Federal civil servants receive 0,3461€ per kilometer. This lump sum amount also applies to the private sector. The tax authorities accept this amount as a lump sum reimbursement of the mileage cost towards the employee using his private car for professional travel. The tax authorities consider the allowance as 'costs proper to the employer' so these are tax exempt for the employee. A higher allowance can still be accepted by the tax authorities as 'costs proper to the employer', but then proof should be given that the amount equals the actual costs. When lacking such evidence, the excess part will be qualified as salary. As a consequence social security contributions and taxes will be due.

#### *Limitation of the mileage*

The amount of the mileage allowance for professional travel of 0,3461€ is applicable for the period as of 1 July 2013 until 30 June 2014. The tax authorities consider that the total mileage which can be reimbursed annually cannot exceed 24.000 kilometers. The tax authorities can ask for additional proof for whom drives more than 24.000 kilometers. There is case law condemning this limitation applied by the tax authorities.

### Reimbursement of traveling expenses: public transport

Public transport expenditure is reimbursed based on the official rate or based on a receipt.

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