

## Can I still drive my company's Porsche without being taxed on a high benefit in kind?

The benefit in kind for company cars still gives a lot of entrepreneurs eyesore. Many have tried to escape. The media gave recently much attention to an entrepreneur driving his company's Porsche without being taxed on the benefit in kind. Can you do that too? It still is doubtful.

### The background

Private use of a company car is taxed as a benefit in kind. The way this is calculated has been changed by the Di Rupo-government resulting in higher taxation for a lot of entrepreneurs (especially those with luxury cars).

And a lot looked for loopholes ...

### The theory

What is the private use of a company car? Not only the real private use, e.g. going to the shop, bringing the kids to school, visiting your family. Also home-work travel is considered as private use.

So: who is using a company car solely for professional mileage (e.g. visiting clients, going to meetings, ..) does not obtain a benefit in kind and cannot be taxed on it. For a luxury car such as a Porsche this can lead to a saving of 15.000€.

### An the entrepreneur with his Porsche: how did he do this?

The entrepreneur contacted the ruling commission and applied for a ruling. He agreed with the tax authorities on the tax treatment of his situation. He engaged himself only to use his expensive company car for professional mileage and would avoid any private use.

This was only possible because the actual circumstances made this possible:

the company was established on the private address of the entrepreneur (the registered office was established there), so there was no home-work travel; AND

the entrepreneur's family had a second car used for private mileage.

### Also for you?

Probably not. In the first place the two above conditions should be fulfilled (company on private address, having a second car). Also you limit the use of your company car: once using the car to go shopping or to bring the kids to school can be sufficient to get into trouble... You should make up for yourself if this is worth it.

You can off course also apply for a ruling.