

January, 2024

Are taxes still due when you challenge your tax bill ?

In Belgium, taxes are normally assessed on the basis of a **tax return** filed by the taxpayer. In the absence of a timely return, taxes can be **assessed automatically** by the tax authorities based on the information readily available to them. The tax assessment will confirm whether the taxpayer has an amount of **tax to pay** or is entitled to a **refund**.

If the taxpayer – either a private individual or a company – **does not agree** with the tax assessment, they can **challenge** it by filing a complaint. The complaint is an administrative appeal against the tax assessment and is a **necessary condition** before you can bring your dispute before tax court. You need to initiate this administrative appeal **within 1 year** (plus 3 working days) as from the date the assessment was sent to you (before 2023 it was only 6 months). If you **miss the deadline**, you will lose the right to appeal, and the **tax assessment will be final**. You will then also lose the right to present your case to **court**.

If the complaint is filed **in time**, the **collection of taxes** by the tax authorities **is restricted** while the administrative appeal is pending. This means that, as long as no decision is made, you are only required to settle the taxes **that are not being disputed**. You can hold off paying any **amount additionally claimed** by the authorities while the complaint is being handled. However, a **late payment interest of 4%** will be charged to you if your complaint is unsuccessful. On the other hand, if you do decide to **pay the total amount of taxes due** (or the authorities **use your tax refund** to offset the outstanding amount) and your claim is successful, a **compensatory interest of 2%** will be awarded to you in addition to the refunded amount.

When an appeal is filed, the tax office will **look into the arguments raised** and decide on the tax assessment. The authorities may also request that the taxpayer provides **them with additional information** needed to determine the tax liability. Even if the taxpayer only files a complaint regarding **one specific point** of the initial assessment, this does not prevent the tax authorities from doing a **full-blown audit** of your tax situation.

The tax authorities normally **issue their decision within 6 months** after you submit the complaint (which is 9 months in case of an automated assessment). Please note that the procedure can take (significantly) **longer** as well. However, the late payment interest of 4% will **no longer apply** if the authorities fail to make a decision within the first 6 (or 9) months. At that time, the taxpayer has a choice: they can **await the decision** or immediately bring the case **before court**.

If a formal decision is made with regard to the complaint, that becomes final if the taxpayer does not bring the case before tax court **within 3 months after the decision is made**. The judicial procedure starts before the competent **Court of First Instance** and can be further challenged before the **Court of Appeal** or **Supreme Court**, if needed. This whole process will obviously **take several years** to complete, but may be necessary to prove you right.

TAXPATRIA® can assist you with **administrative or tax court proceedings**, and **fiscal mediation**.