



How do you avoid paying Belgian income tax on US dividends?

If you invest in shares or in share-heavy funds and **receive dividends from a US corporation**, these earnings will normally be subject to a **withholding tax at source (WHT)** in the US. In general, **ordinary dividends** are taxed as ordinary income in the US, while **qualified dividends** are taxed at a flat rate depending on your tax bracket. As a Belgian tax resident, you must also **pay a 30% income tax** on these earnings in Belgium.

Although there is a **tax treaty (DTA)** in place between the US and Belgium, this does not avoid the US dividend being subject to tax **both in the US and in Belgium**. The treaty explicitly provides that the US can levy a **WHT**, while Belgium may apply an **income tax** on the same dividend. This is based on the **general principle** that dividends are taxable in the country where the shareholder/investor lives but does not avoid that a **WHT at source** is applied as well.

At the same time, the DTA does set a **maximum WHT** that can be applied in the US, the so-called '**preferential rate**'. The US-BE DTA treaty states that, in general, **maximum 15%** of the gross amount of the dividend can be deducted in the US. This is **only 5%** if you own at least 10% of the voting stock of the US company paying the dividend.

Therefore, it is important to always **inform your US broker or financial institution** that you are also a Belgian tax resident, otherwise your dividend could be subject to a higher '**domestic rate**' in the US. By submitting a tax residency certificate (Form 276 Conv.) issued by the Belgian authorities, you can **invoke the DTA benefit** and claim the lower 'preferential rate' (relief at source). In the US, you need to submit **Form W-8BEN** to your withholding agent. If you already paid the higher domestic rate in the US, you could also ask for a (partial) **tax refund** afterwards. However, such a **tax reclaim procedure** can be quite cumbersome.

The amount to report in Belgium afterwards, is only a **net amount**. This dividend –after US tax– will be subject to a **30% flat tax rate** in Belgium.

In Belgium, you will not be taxed on the full amount, since a **tax exemption** applies to the first **€859 (tax year 2026)** of dividend income earned per taxpayer. This exemption should allow taxpayers to reclaim excess WHT previously withheld on Belgian dividend income. There is **no separate code** in the Belgian return to report US WHT on US dividends. Instead, the **total dividend income to report** in your tax form **can be reduced** by an amount of €859 per taxpayer in order to benefit from the exemption.

If you would prefer to avoid this 'double' taxation, you need to check if the US dividend can be paid out **via a Belgian bank or intermediary**, therefore only deducting Belgian tax at source.

TAXPATRIA® can advise you on the Belgian tax consequences of your **US investment income** and assist you with your **personal tax planning**.