



## What are the benefits of the special expat tax status ? (1983)

Under certain conditions, foreign executives, directors, specialists, and researchers who come to Belgium to work here temporarily, can benefit from several **expat tax allowances** as well as **exclude part of their earnings from taxation**. This is based on an administrative tolerance that has been in place since 1983. This expat regime can no longer be applied for since **1.01.2022**.

Those who are entitled to the special status are treated as **non-residents for tax purposes**. This is sometimes also referred to as the **'foreign travel exclusion'**. Expats are not taxed in Belgium on the salary earned for the days spent working abroad on behalf of their Belgian employer. There is also a **limited tax-free reimbursement of expenses** for which a distinction is made between recurring and non-recurring costs. The recurring expenses are **limited to €11,250 per year** (€29,750 in some exceptional cases). Certain other expenses (e.g. refurbishing and moving expenses, international schooling fees for children, etc.) can be excluded **without any limitation**, but within reasonable limits.

In order to be eligible for the special status, the expat and his employer **must both meet certain conditions**. The foreign executive must not have the Belgian nationality and must have been recruited abroad, prior to his move to Belgium. The employment in Belgium must also be **of a 'temporary' nature**. This can be demonstrated by showing that the executive has maintained sufficient ties with his **country of origin** or his **home country** (e.g. real estate abroad, foreign bank accounts, participation in foreign social security system, etc.). The tax office will always make an **assessment of all the facts and circumstances**.

To obtain this special status, the Belgian employer is required to file a **formal application** with the tax office providing the necessary supporting documentation, **within 6 months** of the employee's starting work in Belgium. This deadline starts on the first day of the month following the month in which the employment in Belgium started. An application can still be filed **afterwards** if the expat is able to prove that the lateness of his request is due **to exceptional circumstances**. Otherwise the benefit will only be granted for the **subsequent tax year**. It is important to know that if you change jobs afterwards, you will normally lose your status. However, it can be **possible to reapply** for the expat status.

If the status is granted, **a non-resident tax return** has to be filed each year in October/November for the previous calendar year in which you claim your expat benefits.

In recent years, the tax office has begun reviewing those expats who have been here **for 10 years or longer** to verify the 'temporary' nature of their stay in Belgium. The special status **can be revoked** if the ties with Belgium have become stronger than those with the home country. In general, the special status is granted **for a maximum of 15 years**.

TAXPATRIA® can assist you with the **preparation and filing** of the expat tax status application, as well as with your **payroll coordination** and annual **non-resident (expat) tax filing**.