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

Under certain conditions, foreign executives, directors, specialists, and researchers who came to Belgium to work here temporarily, could benefit from several **expat tax allowances** as well as **exclude part of their earnings from taxation**. This was based on an administrative tolerance that has been in place since 1983. This (old) expat regime can no longer be applied for **since 2022**.

Those who were entitled to the special status were treated as **non-residents for tax purposes**. This was sometimes also referred to as the **'foreign travel exclusion'**. Expats were not taxed in Belgium on the salary earned for the days spent working abroad on behalf of their Belgian employer. There was also a **limited tax-free reimbursement of expenses** for which a distinction was made between recurring and non-recurring costs. The recurring expenses were **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.) could be excluded **without any limitation**, but within reasonable limits.

In order to be eligible for this 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 could be demonstrated by showing that the executive 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 would always make an assessment of all the **facts and circumstances**.

To obtain this special status, the Belgian employer was 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 started on the first day of the month following the month in which the employment in Belgium started. An application could still be filed **afterwards** if the expat is able to prove that the **lateness** of his request was due **to exceptional circumstances**. Otherwise, the benefit would only be granted for the **subsequent tax year**. It was important to know that if you changed jobs afterwards, you would normally lose your special tax status. However, under certain conditions, it could be **possible to reapply**.

If the status was granted, a **non-resident tax return** had to be filed each year in October/November for the previous calendar year in which you claimed your expat benefits. In more recent years, the tax office had begun reviewing those expats who had been here **for 10 years or longer** to verify the 'temporary' nature of their stay in Belgium. The special status **could be revoked** if the ties with Belgium had become stronger than those with the home country. In general, the 'old' special status was granted **for a maximum of 15 years**.

TAXPATRIA® can check your eligibility for the (new) expat tax status, as well as assist with your **payroll coordination** and **expat tax filing**.