

TAX

This page only addresses tax issues specifically relevant to UK citizens working in Belgium. For general information about Belgian taxation for expats, please also see this [page](#).

UK-Belgium Double Tax Avoidance Agreement

UK and Belgium have signed an agreement to avoid citizens paying tax on the same income in both countries.

As a Belgian **tax resident**, you must declare your worldwide income in Belgium, regardless of where the income is earned or received. You will be exempt from taxation in Belgium on your foreign (non-Belgian) income, such as income earned in the UK. However, your other taxable income earned or received in Belgium will be taxed at the rate as if all of your income (both Belgian and foreign) was taxable in Belgium. (This is the so-called “*exonération avec réserve de progressivité*” or “*vrijstelling met progressievoorbehoud*”).

If you are a **non-tax resident** in Belgium with your tax residency in the UK, as a general rule, only your Belgian source income will be taxable in Belgium. Please see this [page](#) for further information.

Earned income

Employment income includes remuneration, benefits in kind as well as retirement income. The taxable amount can be reduced either by demonstrable professional expenses (such as petrol costs, vehicle expenses, commuting expenses, etc), or by a lump sum business expense (max. €4920 for the 2022 tax year). Employment income is taxed through withholdings directly deducted from the salary by payroll, with an annual rebalancing exercise to ensure the correct amount is paid/reimbursed. Please see this [page](#) for further information.

If you are self-employed, your taxable income can also be reduced by deducting demonstrable professional expenses. To avoid a large tax surcharge in the annual tax assessment by the authorities, self-employed workers should also make tax pre-payments.

If you work as a freelancer in Belgium, you will have to declare your self-employment income in Belgium in a Belgian income tax return. For more details on the taxation for freelancers and self-employed in Belgium, please refer to this [website](#).

If you are a UK resident, working for a UK employer, you may be exempt from taxation on your employment income in Belgium if:

- You spend less than 183 days in Belgium (in total within any period of 12 months);
- AND you remain on the payroll of your UK employer;
- AND your UK employer has no presence/entity in Belgium.

If you are a UK resident, working for a UK employer, and you work remotely in Belgium for more than 183 days (in total within any period of 12 months), you will have to declare your Belgian employment income in a Belgian tax return and it will be taxable in Belgium. Your UK employer should appoint a payroll agent to facilitate the appropriate deductions from your salary and fulfil certain tax formalities. Please note that working remotely may also have further tax implications for your employer, should your professional activity constitute a ‘*permanent establishment*’ in Belgium.

Property income

Property income includes the rental income from real estate that is used for a professional activity and, in certain circumstances, from real estate used for private purposes by the occupant. Local property tax is assessed on 'cadastral income' which is the deemed rental value attributed to the property by the authorities. The levy is known as an immovable withholding tax.

As a Belgian tax resident who owns real estate outside Belgium (for example, in the UK) you must report this property in your Belgian tax return. Since 2021, you must submit a declaration to the Administration of Measurement and Valuations, which will determine the deemed rental value of the foreign real estate.

- The form to be completed can be found [here](#) (in French) or [here](#) (in Dutch).
- If you do not agree with the determination of the value, please refer to this [page](#) (in French) or this [page](#) (in Dutch) for more guidance.

On properties owned in Belgium, the tax paid varies according to the municipality and the region.

- If you live in the Brussels-Capital Region, it is 2.25%;
- In the Flemish region, it is generally 2.5% of the annual rental income;
- In the Walloon region, it is approximately 1.25%.

Municipal surcharges increase the effective rate to between 18% and 50% or more, depending on the municipality where the property is located. Please see [this page](#) for general information and [this page](#) for information specific to the Brussels-Capital region.

If you inherit a property in the UK, and you are a Belgian tax resident, it is likely that you will pay UK inheritance tax on the property and also become subject to the Belgian inheritance tax. Unfortunately, the double tax avoidance agreement between UK and Belgium does not apply to inheritance tax and therefore double inheritance tax is possible. However, Belgian domestic law has provided for a deduction of the UK inheritance tax paid from the Belgian inheritance tax.

Please consider that every individual situation is different and therefore the above does not contain nor replace specialised tax advice. We therefore encourage you to seek expert legal advice for individual tax matters.

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