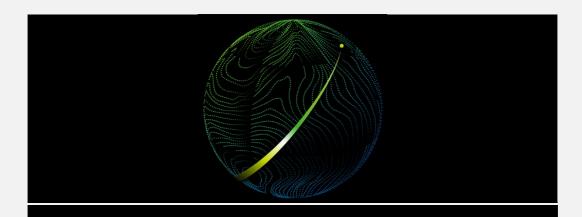
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## Global Employer Services Reward & Mobility Alert

## Large companies investing in support zones may again apply for the wage tax incentive

On 5 September 2022, the Belgian Ministry of Finance issued a press release (<u>Dutch I French</u>) confirming that large companies investing in qualifying support zones may once again benefit from the wage withholding tax exemption. This follows the European Commission's approval on 18 July 2022 under EU state aid rules of Belgium's "Regional Aid Card 2022-2027" for granting regional aid from 1 January 2022 to 31 December 2027.

Companies that invest in a qualifying support zone may benefit from a partial wage withholding tax exemption (i.e., 25% of the wage withholding taxes withheld on qualifying remuneration need not be paid over by the employer to the Belgian tax authorities) for a period of two years for each additional job created as a result of the investment and maintained for at least three years (small and medium-sized enterprises) or five years (large companies).

After the previous aid card designating the qualifying support zones expired on 31 December 2021, large companies (as defined in article 275/9 of the Belgian Income Tax Code) were temporarily unable to benefit from the wage tax incentive. Since the new regional aid map has now been approved by the Commission, as from 25 July 2022, large companies may once again submit an application on Form 274 SZ (Dutch | French) to benefit from the partial wage withholding tax exemption, provided all other required conditions are met. Although generally an application must be submitted before the investment is made, the press release indicates that Form 274 SZ may be submitted up to three months after the date of the investment, but that the exemption is not available in respect of a new job that already has been created and the position filled at the time Form 274 SZ is submitted.

For further information, please visit our <u>Payroll Incentives page</u> for a comprehensive overview of the available opportunities and how Deloitte can assist you.

## **Contacts**

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