



## GES NewsFlash

# Belgium – No Changes to Tax and Social Security Treatment of Private Use of Company Cell Phones

March 24, 2010

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The Belgian financial press recently reported that the government has withdrawn a draft royal decree relating to the taxation of the benefit in kind for the private use of cell phones granted by an employer. Contrary to the language used in the press reports, the draft decree only provided for valuation rules for social security purposes – it did not address the tax treatment of the benefit.

### Personal income taxation

Since there have been no changes for personal income tax purposes, the benefit in kind is valued in accordance with the general valuation principles. Thus, the real value of the benefit in kind must be taken into account unless the taxpayer has concluded an agreement with the tax authorities on a lump sum valuation. Since it is generally very difficult to separate the private and professional use of a company cell phone, not having a lump sum valuation agreement may result in legal uncertainty as to whether the tax authorities will accept the reported benefit in kind.

### Social security

Please visit the website (<http://www.laga.be/newsroom>) of Laga for the social security implications of the withdrawal of this draft royal decree.

#### Deloitte's View

The withdrawal of the draft royal decree does not impact the personal income tax treatment of the private use of a company cell phone.

To minimize legal uncertainty, taxpayers should reach agreements with the tax authorities on the valuation of this benefit in kind.

### People to Contact

If you have any questions concerning the issues in this GES NewsFlash, please

contact one of the tax professionals as follows:

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