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Charging infrastructure and EVs in Belgium: key subsidies and fiscal incentives

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Introduction

The use of electric vehicles (EVs) in Belgium is growing steadily. Yet there is a remarkable difference between the availability of charging stations in Flanders, Wallonia and Brussels. This could possibly be a consequence of the different approach of the regions and the different initiatives that are taken. This article, part of a three-part series on the charging infrastructure for EVs in Belgium, focuses on the key subsidies and fiscal incentives concerning EVs in Belgium.[1]

Incentives for corporates

Manufacturing vehicles
Belgium offers no specific incentives for manufacturing EVs.

Manufacturing batteries
Belgium offers no specific incentives for manufacturing EV batteries or other components required to power alternative-fuel vehicles in Belgium. However, Belgium does participate in a subsidy scheme approved by the European Commission, providing grants as part of a €2.9 billion fund for pan-European research and innovation projects along the battery value chain, including recycling and sustainability.

Fuel production or supply
For EVs, there are no specific provisions for the electricity used to power vehicles as the electricity is generated from mixed sources and supplied via the national grid. However, in the regions, different systems exist for parties to share their (renewable) electricity and create energy communities that make it more beneficial to do so. In these energy communities, it is possible to include charging points for EVs. There are currently no provisions specifically applicable to hydrogen supply.

Charging infrastructure
Between 1 September 2021 and 31 August 2024, companies (only legal persons) can count on an increased cost deduction for investments in public charging points, acquired or made up when new, provided these charging points are:

- publicly accessible at least during the opening hours of the company; and
- intelligent (ie, smart), meaning that the charging time and the charging capacity must be provided by an energy management system.

Incentives for consumers

Retailer discounts
Some local authorities (cities and municipalities) offer a subsidy to individuals when buying or leasing a new EV.

Low/no road tax
Flanders
Fully electric cars and hydrogen-powered cars are exempt from tax on entry into traffic (BIV) and road tax (VB).

Wallonia and Brussels
For 100% electric or hydrogen powered cars, both the BIV and VB tax rates are set at the minimum level.

Vehicle excise duty
Vehicle excise duty is not applicable.

Low/no fuel benefit charges
Low/no fuel benefit charges are not applicable.

Grants towards home EV charging point installation
Between 1 September 2021 and 31 August 2024, owners and tenants of a property can benefit from a tax reduction on the investment when purchasing and installing charging points. Belgium has tapered its tax reductions in this respect:

- from 1 July 2021 to 31 December 2022, there will be a 45% tax reduction;
- in 2023 there will be a 30% tax reduction; and
- in 2024 there will be a 15% tax reduction.

Flanders has introduced a subsidy scheme on home batteries that store electricity generated from solar panels. This is beneficial in combination with a loading station for an EV, since it would be possible to charge the car with electricity generated from the solar panels and stored in the home battery. This subsidy scheme runs until 2024. The other regions have so far not introduced a similar grant.

Reduced VAT on charging electricity
Reduced VAT on charging electricity is not applicable.

Company cars

In 2026, only emission-free (electric or hydrogen) company cars will be 100% tax deductible. New cars purchased before 1 July 2023 will retain their old tax regime. For carbon dioxide-emitting cars (ie, diesel, petrol, hybrid, plug-in hybrid, compressed natural gas and liquefied petroleum gas) purchased between July 2023 and December 2025, the tax deductibility will decrease over time. The maximum deductibility for these cars will be:

- 75% in 2025;
- 50% in 2026;
- 25% in 2027; and
- 0% in 2028.

In 2026, a zero-emission car will be 100% deductible, but this deductibility will also be tapered as follows:

- 95% in 2027;
- 90% in 2028;
- 82.5% in 2029;
- 75% in 2030; and
- 67.5% in 2031.

Company cars that are used to transport "cargo" (eg, plumbers' vans), will remain fully deductible for the time being but may be subject to future tax changes. Calculation of the benefit in kind for the private use of a 100% electric or hydrogen company car is reduced to the lowest rate.[(2)]

For further information on this topic please contact David Haverbeke or Wouter Vandorpe at Fieldfisher by telephone (+32 274 270 00) or email (david.haverbeke@fieldfisher.com or wouter.vandorpe@fieldfisher.com).The Fieldfisher website can be accessed at www.fieldfisher.com.

Endnotes

(1) For earlier articles in the series, see:

- "Charging infrastructure and EVs in Belgium: overview"; and
- "Charging infrastructure and EVs in Belgium: division of competences".

(2) For further information, see:

- "VAT treatment of charging stations for electric vehicles: installation and charging of the vehicles";
- "3 funding programs with which the federal and state governments support the construction of charging stations"; and
- "Green mobility – Charging Infrastructure and Electric Vehicles in Belgium".