

FB-tax

Belgian inheritance tax

Inheritance tax is also a regional tax. As for stamp duties, the regions are competent to determine the tariff, the taxable base and the exemptions. Other aspects of the taxation remain federal.

Taxable persons

Inheritance tax is levied on the worldwide assets of the deceased, if the deceased was a Belgian resident for inheritance tax purposes on the day of passing, i.e., had its principal place of residence in Belgium. Neither the residence of the heirs, nor the situation of the assets are relevant.

The 'principal place of residence' test for inheritance tax purposes does in fact not differ from the one in personal income tax. A beneficial tax status in the field of income tax however, does not imply a comparable status in inheritance tax. Consequently, one may be a non-resident for PIT purposes, but a resident for inheritance tax purposes. An example may be some persons under the expat tax regime in income tax.

Heirs of non-residents are only subject to Belgian inheritance tax on the Belgian real estate of the deceased.

In case of international double taxation, the competent tax authorities may accept to mitigate this unilaterally. Regarding foreign real estate, statutory unilateral double taxation relief has been put in place.

Inheritance tax rates

The inheritance tax rates are these from the region in which the deceased had its residence (a transitional rule applies if the deceased moved from one region to the other).

- **Brussels Capital Region**

- a. General rates

Tax bracket (EUR)	Tax rate – direct line or legal partner
0,01 – 50.000	3 per cent
50.000,01 – 100.000	8 per cent
100.000,01 – 175.000	9 per cent
175.000,01 – 250.000	18 per cent
250.000,01 – 500.000	24 per cent
> 500.000,01	30 per cent

Tax bracket (EUR)	Tax rate – siblings
0,01 – 12.500	20 per cent
12.500,01 – 25.000	25 per cent
25.000,01 – 50.000	30 per cent
50.000,01 – 100.000	40 per cent
100.000,01 – 175.000	55 per cent
175.000,01 – 250.000	60 per cent
> 250.000,01	65 per cent

Tax bracket (EUR)	Tax rate – uncles, aunts or cousins
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0,01 – 50.000	35 per cent
50.000,01 – 100.000	50 per cent
100.000,01 – 175.000	60 per cent
> 175.000,01	70 per cent

Tax bracket (EUR)	Tax rate – others
0,01 – 50.000	40 per cent
50.000,01 – 750.000	55 per cent
75.000,01 – 175.000	65 per cent
> 175.000,01	80 per cent

b. Family business and shares of a family company

Relationship donor - beneficiary	Tax rate
Direct line or legal partner	3 per cent
Others	7 per cent

c. Legacy to an association or foundation

Flat rate of 25 per cent (the rate is reduced to **7 per cent** when the beneficiary is a non-profit organisation with a federal recognition which allows the non-profit organisation to receive (income) tax deductible gifts)

- **Flemish Region**

a. General rates

Tax bracket (EUR)	Tax rate – direct line or partner
0,01 – 50.000	3 per cent
50.000,01 – 250.000	9 per cent
> 250.000,01	27 per cent

Tax bracket (EUR)	Tax rate - siblings	Tax rate - others
0,01 – 35.000	25 per cent	25 per cent
35.000,01 – 75.000	30 per cent	45 per cent
> 75.000,01	55 per cent	55 per cent

b. Specific rates on the family business or shares of a family company

Relationship donor - beneficiary	Tax rate
Direct line or partner	3 per cent
Others	7 per cent

c. Legacy to an association or foundation

Flat rate of **8,5 per cent** (as from 1 July 2021 the flat rate is **0 per cent**, except for private foundations)

- **Walloon Region**

- a. General rates

Tax bracket (EUR)	Tax rate – direct line, spouse or legal partners
0,01 – 12.500	3 per cent
12.500,01 – 25.000	4 per cent
25.000,01 – 100.000	7 per cent
100.000,01 – 150.000	10 per cent
150.000,01 – 200.000	14 per cent
200.000,01-250.000	18 per cent
250.000,01 – 500.000	24 per cent
>500.000,01	30 per cent

Tax bracket (EUR)	Tax rate – siblings	Tax rate - uncles, aunts or cousins	Tax rate - others
0,01 – 12.500	20 per cent	25 per cent	30 per cent
12.500,01 – 25.000	30 per cent	35 per cent	40 per cent
25.000,01 – 75.000	35 per cent	40 per cent	45 per cent
75.000,01 – 175.000	50 per cent	55 per cent	80 per cent
> 175.000,01	65 per cent	70 per cent	90 per cent¹

- b. Family business and shares of a family company

Flat rate of 0 per cent

- c. Legacy to an association or foundation

Flat rate of 7 per cent

Inheritance tax incentives of particular interest

1. Exemption for the family home

In the three regions the family home is not subject to inheritance tax when inherited by a spouse or legal partner.

In the Flemish region, this exemption also applies to other cohabiting partners than legal partners if they live together since at least 3 years and if they have a common household.

In the Brussels Capital Region reduced rates apply when the family home is inherited by descendants (children etc. ...) and a partner other than a legal partner.

In the Walloon Region reduced rates apply when the family home is inherited by descendants.

2. Beneficial rates or exemption for business assets and shares of family companies

The succession of the ownership, usufruct or bare ownership of business assets or shares of family companies, resident of an EEA state, benefits from a beneficial inheritance tax regime. A family company is

¹ Annulled by the Constitutional Court.

a company of which at least half of the shares is owned by the family. Subject to conditions this threshold is lowered to 30 per cent.

To benefit from this tax regime, the company must run a business ('passive' holdings and real estate companies would not be eligible) and the business must be continued after the succession.

The rates in the several regions are as follows:

- **Brussels Capital Region**

Relationship donor - beneficiary	Tax rate
Direct line or legal partner	3 per cent
Others	7 per cent

- **Flemish Region**

Relationship donor - beneficiary	Tax rate
Direct line or partner	3 per cent
Others	7 per cent

- **Walloon Region**

Flat rate of 0 per cent
