

Demolition and restructuring: It's 2022 or never

Demolition and reconstruction is becoming particularly interesting in the new year from a tax perspective. A year ago, the scope of the reduced VAT rate of 6% was already temporarily broadened. Temporarily, as the measure will normally expire on 31 December 2022. At the end of 2021, the Flemish Government also announced it would lower the sales duties (registration tax) from 5% to 1% in case of a major renovation, or demolition and reconstruction of the sole own home, effective from 1st January 2022.

In other words: 2022 will be a perfect year to demolish and reconstruct, as one can benefit from a reduced rate two (more) times: in terms of VAT and in terms of registration tax. Additionally, these actions will be rewarded with a reduction in the advance levy on income derived from real estate if the demolition and restructuring result in a low E level.

This article is available in Dutch and French.

Mechelsesteenweg 127A, b1 - 2018 Antwerp

t. +32 3 260 98 60 | +32 2 790 44 44

Regentschapsstraat 58 PO box 8 - 1000 Brussels

info@schoups.be

www.schoups.com