

Belgium Extends Tax Incentive for Employment of Researchers

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The Belgian government on 4 June approved a draft bill that would extend a special withholding tax exemption for employers of researchers to include partnerships between private-sector enterprises and universities and scientific institutions.

In the Law of 24 December 2002, the Belgian government made a first attempt to encourage the employment of researchers by Belgian colleges and universities, granting a withholding tax reduction for remuneration paid to assistant researchers at those schools and to postdoctoral researchers paid by the National Fund for Scientific Research or the Fund for Scientific Research -- Flanders.

In 2003, that tax regime was extended to include assistant and postdoctoral researchers paid by a list of scientific institutions in the public sector and by collective research centers and international research institutions. That list was finalized in the Royal Decree of 24 May 2004, published in the official gazette of the same date.

Public and international research centers on that list include the General State Archive, the Royal Library, the Africa Institute, the National Geographical Institute, the Belgian Agency for Radioactive Waste and Enriched Fissile Materials, the Royal Meteorological Institute, the European Institute for Management Sciences, the European Organization for Research and Treatment of Cancer, the Babbage Institute for Knowledge and Information Technology, the Institut international de Chimie-Physique-Solvay, and the Von Karman Institute for Fluid Dynamics. Collective research centers usually are set up to carry out R&D for a specific sector.

Even if those employers are required to withhold the full tax at source on the remuneration paid, they are exempted from passing on 50 percent of that withholding tax to the Ministry of Finance. For the employer, that can result in savings of as much as 17.33 percent, or alternatively, the employer can offer researchers a net salary that is as much as 20 percent higher. This measure is expected to open up job opportunities for more than 3,300 researchers with universities and colleges and for 1,700 researchers with the various scientific and research agencies.

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