

## The federally collected tax revenues – December 2012

In December 2012 the total of the federally collected tax revenues (<sup>1</sup>) increased by 15.0 % compared to December 2011. This is caused by the strong increase of the direct taxes, which is largely explained by the assessment roll receipts. The rebound of the revenues from direct taxes can also be explained by the good results of the fourth main due date of the advance payments. The indirect taxes are globally stable but we observe declining revenues of VAT, excise duties, customs duties and registration duties.

Over the entire year 2012, the total of the federally collected tax revenues rose by 6.2 %, of which 8.3 % at the level of the direct taxes and 3.7 % at the level of the indirect taxes and the inheritance taxes.

Since the transfers to other levels of government shrank (-1.1 %), the upswing of the federal government receipts (+18.6%) largely exceeds the rise of the total of the federally collected tax revenues in 2012.

The analysis of the different categories of tax receipts leads to the following conclusions regarding the year 2012:

- The receipts from withholding tax on movable income increase by 10.3 %.
- The revenues from wage withholding tax show no deviation compared to the realised or predicted evolution of the total wage bill. In comparison to last year, the revenues rise by 3.7 %.
- The corporate income tax rolls yield 3,788 million euros in 2012, which represents a considerable increase of 2,353 million in comparison with 2011. The good result can largely be explained by the increase of the number of rolls and by the rebound of the corporate profits compared to the dip in 2009.
- The VAT-receipts rise by 3.7 % over the year, and equal 28,762 million euros in 2012.
- The rise of the revenues from excise duties amounts to 4.3 %. The excise duties on energy products and electricity revealed a drop of the quantities.
- The registration duties show a mild decline in 2012 in comparison with 2011 (-0.1 %).

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**TOTAL FEDERALLY COLLECTED TAX REVENUES (million euros)**

12 months	2011	2012	Change	Change %
Direct taxes	49.745,9	53.896,5	4.150,6	8,3%
of which:				
- taxes on vehicles	760,7	788,0	27,3	3,6%
- withholding tax on movable income	3.240,8	3.605,4	364,6	11,3%
- advance payments	9.379,6	9.336,5	-43,1	-0,5%
- assessment receipts personal income tax	-5.319,1	-5.410,9	-91,8	
- assessment receipts corporate income tax	1.435,7	3.788,4	2.352,7	
- wage withholding tax	39.632,6	41.095,1	1.462,5	3,7%
Indirect taxes	41.792,9	43.218,7	1.425,8	3,4%
of which:				
- import duties (*)	2.097,9	2.088,1	-9,8	-0,5%
- excise duties (*)	7.191,9	7.501,5	309,6	4,3%
- registration duties	3.866,0	3.863,0	-3,0	-0,1%
- "actual" VAT	26.181,9	26.831,6	649,7	2,5%
- insurance taxes and the like	1.555,5	1.930,4	374,9	24,1%
<b>Current tax receipts</b>	<b>91.538,8</b>	<b>97.115,2</b>	<b>5.576,4</b>	<b>6,1%</b>
Inheritance duties	2.058,4	2.251,3	192,9	9,4%
<b>Total tax receipts before corrections</b>	<b>93.597,2</b>	<b>99.366,5</b>	<b>5.769,3</b>	<b>6,2%</b>
Increase or decrease of collected but non itemized receipts	143,3	-241,4	-384,8	
<b>Total tax receipts including corrections</b>	<b>93.740,5</b>	<b>99.125,1</b>	<b>5.384,5</b>	<b>5,7%</b>
of which:				
- direct taxes including corrections	49.889,3	53.655,1	3.765,8	7,5%
- indirect taxes including inheritance duties and corrections	43.851,3	45.470,0	1.618,7	3,7%

DECEMBER	2011	2012	Change	Change %
Direct taxes	5.299,5	6.968,1	1.668,6	31,5%
of which:				
- taxes on vehicles	69,8	75,6	5,8	8,2%
- withholding tax on movable income	346,8	667,5	320,7	92,5%
- advance payments	1.635,9	1.720,8	84,9	5,2%
- assessment receipts personal income tax	-1.255,3	-920,8	334,5	
- assessment receipts corporate income tax	229,4	964,0	734,6	
- wage withholding tax	4.203,4	4.338,4	135,0	3,2%
Indirect taxes	5.702,2	5.712,1	9,9	0,2%
of which:				
- import duties (*)	177,5	157,1	-20,4	-11,5%
- excise duties (*)	712,8	619,2	-93,6	-13,1%
- registration duties	463,4	390,8	-72,6	-15,7%
- "actual" VAT	4.046,7	4.004,7	-42,0	-1,0%
- insurance taxes and the like	244,7	367,5	122,8	50,2%
<b>Current tax receipts</b>	<b>11.001,7</b>	<b>12.680,2</b>	<b>1.678,5</b>	<b>15,3%</b>
Inheritance duties	218,2	226,5	8,3	3,8%
<b>Total tax receipts before corrections</b>	<b>11.219,8</b>	<b>12.906,7</b>	<b>1.686,9</b>	<b>15,0%</b>
Increase or decrease of collected but non itemized receipts	182,5	-484,3	-666,8	
<b>Total tax receipts including corrections</b>	<b>11.402,4</b>	<b>12.422,4</b>	<b>1.020,1</b>	<b>8,9%</b>
of which:				
- direct taxes including corrections	5.482,0	6.483,8	1.001,8	18,3%
- indirect taxes including inheritance duties and corrections	5.920,4	5.938,6	18,3	0,3%

(\*) preliminary

## The federally collected tax revenues – November 2012

In November the total of the federally collected tax revenues (<sup>1</sup>) increased by 10,4 %. The increase of direct taxes is considerably higher than of indirect and inheritance taxes. The increase of direct taxes amounts to + 15.6 %, while the growth of indirect and inheritance taxes is confined to + 6.4 %. The revenues from corporate income tax rolls contribute largely to the good results of the direct taxes, whereas the PIT refunds rise again due to the scheduled acceleration of the enrolment. We also remark a recovery of the revenues from wage withholding tax, following a drop in October. The slump of the receipts from withholding tax on movable income can be explained by an accounting backlog.

Since the start of the year 2012, the increase of the total of the federally collected tax revenues equals 5.3 % at the end of November, while it stood at 5.0 % at the end of October and 4.7 % at the end of September. The initiated recovery is thus confirmed. The upswing of direct taxes (+ 6.2 %) is stronger than of indirect taxes (+ 4.2 %).

The transfers, predominantly to other levels of government, are still declining (-1.1%). As a result, the rise of the federal government receipts outperforms significantly the total of the federally collected tax revenues and reaches 17.0 % after eleven months.

The analysis of the different categories of tax receipts collected in the first eleven months leads to the following conclusions.

- Corrected for the accounting backlog, the revenues from the withholding tax on movable income increase by 16,8 %. The impact of tax rate hikes on the revenues is thwarted by a mild descent of the taxable base. This decline is however not explained by the rate hikes in itself but by the economic and financial climate.
- The revenues from wage withholding tax show no deviation in comparison with the realised nor anticipated evolution of the total wage bill. These revenues look relatively protected against the deterioration of the economic climate, which rather marks the primary company income and the revenues from advance payments.
- The gross VAT-receipts recover in November (+ 6.0 %) after a weak performance in October (- 0.6 %), which can be explained by a decline of the retail sales during the third quarter and by its effect on the balance of taxpayers reporting quarterly.
- The growth of the revenues from excise duties retreats in November. We still witness volumes drops regarding excise duties on electricity products and on energy.
- Concerning registration duties, the upswing in October appears to have been temporary. The decrease in November leads to a growth of 2.0 % after eleven months.
- The inheritance taxes still show a remarkable growth by the end of November (+10%).

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**TOTAL FEDERALLY COLLECTED TAX REVENUES (million euros)**

11 months	2011	2012	Change	Change %
Direct taxes	44.446,4	46.928,4	2.482,0	5,6%
of which:				
- taxes on vehicles	690,9	712,4	21,5	3,1%
- withholding tax on movable income	2.894,0	2.937,9	44,0	1,5%
- advance payments	7.743,7	7.615,8	-128,0	-1,7%
- assessment receipts personal income tax	-4.063,8	-4.490,1	-426,3	
- assessment receipts corporate income tax	1.206,3	2.824,4	1.618,1	
- wage withholding tax	35.429,3	36.756,7	1.327,4	3,7%
Indirect taxes	36.090,7	37.506,5	1.415,9	3,9%
of which:				
- import duties (*)	1.920,4	1.931,0	10,6	0,5%
- excise duties (*)	6.479,1	6.882,3	403,2	6,2%
- registration duties	3.402,6	3.472,2	69,6	2,0%
- "actual" VAT	22.135,3	22.826,9	691,6	3,1%
- insurance taxes and the like	1.310,8	1.562,9	252,1	19,2%
<b>Current tax receipts</b>	<b>80.537,1</b>	<b>84.434,9</b>	<b>3.897,8</b>	<b>4,8%</b>
Inheritance duties	1.840,3	2.024,8	184,6	10,0%
<b>Total tax receipts before corrections</b>	<b>82.377,4</b>	<b>86.459,7</b>	<b>4.082,4</b>	<b>5,0%</b>
Increase or decrease of collected but non itemized receipts	-39,2	242,9	282,1	
<b>Total tax receipts including corrections</b>	<b>82.338,2</b>	<b>86.702,6</b>	<b>4.364,5</b>	<b>5,3%</b>
of which:				
- direct taxes including corrections	44.407,2	47.171,3	2.764,0	6,2%
- indirect taxes including inheritance duties and corrections	37.930,9	39.531,3	1.600,4	4,2%

NOVEMBER	2011	2012	Change	Change %
Direct taxes	2.383,4	2.486,3	102,9	4,3%
of which:				
- taxes on vehicles	69,5	54,6	-14,9	-21,5%
- withholding tax on movable income	274,1	138,9	-135,1	-49,3%
- advance payments	72,8	70,7	-2,1	-2,9%
- assessment receipts personal income tax	-804,1	-841,7	-37,6	
- assessment receipts corporate income tax	68,1	274,7	206,6	
- wage withholding tax	2.663,6	2.758,0	94,4	3,5%
Indirect taxes	2.846,9	3.002,3	155,4	5,5%
of which:				
- import duties (*)	163,5	161,3	-2,1	-1,3%
- excise duties (*)	608,8	625,8	16,9	2,8%
- registration duties	299,9	293,0	-6,9	-2,3%
- "actual" VAT	1.659,7	1.735,9	76,3	4,6%
- insurance taxes and the like	64,3	133,5	69,1	107,4%
<b>Current tax receipts</b>	<b>5.230,2</b>	<b>5.488,6</b>	<b>258,3</b>	<b>4,9%</b>
Inheritance duties	162,0	199,5	37,5	23,1%
<b>Total tax receipts before corrections</b>	<b>5.392,3</b>	<b>5.688,1</b>	<b>295,8</b>	<b>5,5%</b>
Increase or decrease of collected but non itemized receipts	-91,2	163,1	254,3	
<b>Total tax receipts including corrections</b>	<b>5.301,1</b>	<b>5.851,1</b>	<b>550,0</b>	<b>10,4%</b>
of which:				
- direct taxes including corrections	2.292,2	2.649,3	357,1	15,6%
- indirect taxes including inheritance duties and corrections	3.008,9	3.201,8	192,9	6,4%

(\*) preliminary

## The federally collected tax revenues – October 2012

In October, the total of the federally collected tax revenues (<sup>1</sup>) increased by 6.7 %, following a drop of -12,9 % in September. The increase of direct taxes (+ 7.5 %) is higher than of indirect taxes (+ 5.9 %), which is mainly caused by the evolution of the assessment roll receipts. Compared to October 2011, the personal income tax refunds decreased by 304 million euro; while the revenues from corporate income taxes generated a bonus of 141 million euro, which does not stem from the enrolment of the current tax year, but originates from previous tax years. Among the other categories of direct taxes, we remark a decline of the withholding tax on movable income and of the advance payments (-7.3 %). The growth of the revenues from wage withholding tax is smaller compared to previous months. Concerning indirect taxes, we observe a recovery of registration duties (+ 15.0 %) and of inheritance taxes (+ 34 %), but a mild decline of net VAT (-0.8%).

After the first ten months of the year the increase of the total of the federally collected tax revenues equals 5.0 %. The direct taxes rise by 5.7 %. For the larger part this can be explained by the better performance of the wage withholding tax. During the past ten months the roll receipts also largely contributed to the upswing. The advance payments declined however. The indirect taxes progress by 4.0 %. De receipts from excise duties remain dynamic (+ 6.6 %) while the growth of the VAT is more moderate (+ 3.0 %).

The transfers, predominantly to other levels of government are declining. As a result, the federal government receipts increase by 15.6 % in the first ten months, outperforming the total of the federally collected tax revenues.

The analysis of the main tax categories results in the following conclusions:

- The revenues from the withholding tax on movable income rise by 7.1 % when correcting for the accounting backlog and for the anticipation effects at the end of 2011. It corresponds to a decline of the receipts (- 5.7 %) when unchanged policy is assumed. This evolution can largely be explained by the accumulation of precautionary saving on savings accounts and by the fall of interest rates.
- The drop of the advance payments can be attributed to the unfavourable economic climate. The results of companies are more sensible to the economic downturn than the total wage bill, which appears to resist relatively well up till now.
- In unchanged policy terms, the growth of the revenues from the wage withholding tax keep exceeding what than could be expected based on the anticipated evolution of the total wage bill.
- In contrast, the decline of the gross VAT and, as a consequence, also of the net VAT, are due to the economic downturn.
- The growth of the revenues from excise duties is still largely explained by the weakness of the revenues from the excise duties on tobacco in 2011. Regarding the

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excise duties on energy, we acknowledge a drop of the volumes, which seems logic in a context of rising prices and decreasing purchasing power.

- The upswing of the registration duties concerns all categories and all three regions, although not to the same extend. If confirmed in the next months, this could indicate a recovery of the real estate market.

**TOTAL FEDERALLY COLLECTED TAX REVENUES (million euros)**

10 months	2011	2012	Change	Change %
Direct taxes	42.063,1	44.442,1	2.379,1	5,7%
of which:				
- taxes on vehicles	621,4	657,8	36,4	5,9%
- withholding tax on movable income	2.619,9	2.799,0	179,1	6,8%
- advance payments	7.670,9	7.545,0	-125,9	-1,6%
- assessment receipts personal income tax	-3.259,7	-3.648,4	-388,7	
- assessment receipts corporate income tax	1.138,1	2.549,7	1.411,5	
- wage withholding tax	32.765,7	34.005,7	1.240,0	3,8%
Indirect taxes	33.243,8	34.504,2	1.260,4	3,8%
of which:				
- import duties (*)	1.757,0	1.769,7	12,7	0,7%
- excise duties (*)	5.870,3	6.256,5	386,3	6,6%
- registration duties	3.102,8	3.179,2	76,4	2,5%
- "actual" VAT	20.475,6	21.091,0	615,4	3,0%
- insurance taxes and the like	1.246,4	1.429,4	183,0	14,7%
<b>Current tax receipts</b>	<b>75.306,9</b>	<b>78.946,4</b>	<b>3.639,5</b>	<b>4,8%</b>
Inheritance duties	1.678,2	1.825,3	147,1	8,8%
<b>Total tax receipts before corrections</b>	<b>76.985,1</b>	<b>80.771,7</b>	<b>3.786,6</b>	<b>4,9%</b>
Increase or decrease of collected but non itemized receipts	52,0	79,8	27,8	
<b>Total tax receipts including corrections</b>	<b>77.037,1</b>	<b>80.851,5</b>	<b>3.814,4</b>	<b>5,0%</b>
of which:				
- direct taxes including corrections	42.115,1	44.522,0	2.406,9	5,7%
- indirect taxes including inheritance duties and corrections	34.922,0	36.329,5	1.407,5	4,0%

OCTOBER	2011	2012	Change	Change %
Direct taxes	4.411,7	4.803,7	392,0	8,9%
of which:				
- taxes on vehicles	44,4	71,7	27,3	61,6%
- withholding tax on movable income	200,0	192,2	-7,8	-3,9%
- advance payments	1.633,1	1.513,3	-119,8	-7,3%
- assessment receipts personal income tax	-749,4	-445,7	303,8	
- assessment receipts corporate income tax	-9,7	131,8	141,5	-1466,0%
- wage withholding tax	3.253,8	3.304,2	50,3	1,5%
Indirect taxes	3.920,0	4.098,1	178,0	4,5%
of which:				
- import duties (*)	182,7	183,6	0,9	0,5%
- excise duties (*)	618,1	667,2	49,1	7,9%
- registration duties	332,4	382,2	49,9	15,0%
- "actual" VAT	2.580,4	2.559,7	-20,7	-0,8%
- insurance taxes and the like	156,6	245,3	88,8	56,7%
<b>Current tax receipts</b>	<b>8.331,7</b>	<b>8.901,8</b>	<b>570,0</b>	<b>6,8%</b>
Inheritance duties	180,2	242,4	62,3	34,6%
<b>Total tax receipts before corrections</b>	<b>8.511,9</b>	<b>9.144,2</b>	<b>632,3</b>	<b>7,4%</b>
Increase or decrease of collected but non itemized receipts	95,8	43,6	-52,2	
<b>Total tax receipts including corrections</b>	<b>8.607,7</b>	<b>9.187,8</b>	<b>580,1</b>	<b>6,7%</b>
of which:				
- direct taxes including corrections	4.507,5	4.847,3	339,8	7,5%
- indirect taxes including inheritance duties and corrections	4.100,2	4.340,5	240,3	5,9%

(\*) preliminary

## The federally collected tax revenues – September 2012

In September the total of the federally collected tax revenues (<sup>1</sup>) decreased by 12.9 %. This is mainly explained by the forwarding by one month of the start of the personal income tax assessment procedure. As a consequence, the PIT refunds rose 900 million euro compared to September last year; whereas the total of the revenues from direct taxes declined by 771.5 million euro. The receipts of indirect taxes grew by less than 1 % in September

After the first nine months, the increase of the total of the federally collected tax revenues equals 4.7 %. The direct taxes (+ 5.5 %) continue to outperform the indirect taxes and the inheritance rights (+3.8 %). During the first three quarters the direct tax assessments kept yielding more than a year ago. Until recently the PIT refunds remained limited, reflecting the acceleration of the assessment during the autumn of 2011, while the rolls of the corporate income tax of tax year 2011 keep delivering good results.

The transfers, predominantly to other levels of government, declined by - 1.7 % during the first three quarters of the year. This resulted in an increase (+ 16.1 %) in federal government receipts.

The following remarks can be made concerning the main tax categories:

- The revenues from the withholding tax on movable income rose by 12.8 % when correcting for the accounting backlog and for the anticipation effects at the end of 2011.
- The growth of the revenues from the wage withholding tax remains very good (+4.3 % in the first nine months of the year) and is stronger than could be expected based on the anticipated evolution of the total wage bill.
- The VAT revenues recovered in September. After the first three quarters they show a growth of 3,6 %.
- The slump of the excise duties in September can be explained by calendar effects. While, taken over the first three quarters, the nice growth of the receipts holds on; this must however be linked to the weak performance of the tobacco duties in 2011. The transition to a new payment system then disrupted the collecting of the taxes.
- The evolution of the registration duties reflects the lack of dynamism on the real estate market: the revenues from registration duties on the sales of immovable property slightly declined over the first three quarters of the year.

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**TOTAL FEDERALLY COLLECTED TAX REVENUES (million euros)**

9 months	2011	2012	Change	Change %
Direct taxes	37.651,4	39.638,5	1.987,1	5,3%
of which:				
- taxes on vehicles	577,0	586,2	9,1	1,6%
- withholding tax on movable income	2.419,9	2.606,8	186,8	7,7%
- advance payments	6.037,9	6.031,7	-6,1	-0,1%
- assessment receipts personal income tax	-2.510,3	-3.202,8	-692,4	
- assessment receipts corporate income tax	1.147,8	2.417,8	1.270,0	
- wage withholding tax	29.511,8	30.701,5	1.189,6	4,0%
Indirect taxes	29.323,8	30.406,1	1.082,4	3,7%
of which:				
- import duties (*)	1.574,3	1.586,0	11,8	0,7%
- excise duties (*)	5.252,2	5.589,3	337,1	6,4%
- registration duties	2.770,4	2.797,0	26,6	1,0%
- "actual" VAT	17.895,1	18.531,3	636,1	3,6%
- insurance taxes and the like	1.089,9	1.184,1	94,2	8,6%
<b>Current tax receipts</b>	<b>66.975,1</b>	<b>70.044,6</b>	<b>3.069,5</b>	<b>4,6%</b>
Inheritance duties	1.498,0	1.582,9	84,8	5,7%
<b>Total tax receipts before corrections</b>	<b>68.473,2</b>	<b>71.627,5</b>	<b>3.154,3</b>	<b>4,6%</b>
Increase or decrease of collected but non itemized receipts	-43,8	36,2	80,0	
<b>Total tax receipts including corrections</b>	<b>68.429,4</b>	<b>71.663,7</b>	<b>3.234,3</b>	<b>4,7%</b>
of which:				
- direct taxes including corrections	37.607,6	39.674,7	2.067,1	5,5%
- indirect taxes including inheritance duties and corrections	30.821,8	31.989,0	1.167,2	3,8%

SEPTEMBER	2011	2012	Change	Change %
Direct taxes	3.166,9	2.465,7	-701,2	-22,1%
of which:				
- taxes on vehicles	63,7	57,3	-6,5	-10,1%
- withholding tax on movable income	208,7	193,6	-15,1	-7,2%
- advance payments	136,0	131,0	-5,0	-3,7%
- assessment receipts personal income tax	73,2	-824,3	-897,5	
- assessment receipts corporate income tax	89,4	134,4	45,0	50,3%
- wage withholding tax	2.592,6	2.722,7	130,1	5,0%
Indirect taxes	2.440,1	2.457,8	17,6	0,7%
of which:				
- import duties (*)	187,8	173,6	-14,2	-7,6%
- excise duties (*)	598,2	550,9	-47,3	-7,9%
- registration duties	325,7	316,5	-9,2	-2,8%
- "actual" VAT	1.154,6	1.232,4	77,8	6,7%
- insurance taxes and the like	125,4	141,7	16,3	13,0%
<b>Current tax receipts</b>	<b>5.607,0</b>	<b>4.923,5</b>	<b>-683,5</b>	<b>-12,2%</b>
Inheritance duties	171,2	176,3	5,0	2,9%
<b>Total tax receipts before corrections</b>	<b>5.778,2</b>	<b>5.099,7</b>	<b>-678,5</b>	<b>-11,7%</b>
Increase or decrease of collected but non itemized receipts	30,4	-39,9	-70,3	
<b>Total tax receipts including corrections</b>	<b>5.808,6</b>	<b>5.059,8</b>	<b>-748,8</b>	<b>-12,9%</b>
of which:				
- direct taxes including corrections	3.197,3	2.425,8	-771,5	-24,1%
- indirect taxes including inheritance duties and corrections	2.611,3	2.634,0	22,7	0,9%

(\*) preliminary

## The federally collected tax revenues – August 2012

In August, the total of the federally collected tax revenues (<sup>1</sup>) only increased 2.8%. The weak progress of the indirect taxes (+1.5 %) mainly explains this result. The net VAT (-0.7%), as well as the taxes on the insurance transactions and other similar taxes (-3.9%), even show a decline. While, on the other hand, the growth of the direct taxes (+4.3%) is underpinned by the good performance of the wage withholding tax (+ 4.1%). The August revenues underperform the most recent federal treasury forecasts (-3.1%), which is mainly due to the fact that the accounting backlog, with respect to the withholding tax on movable income, is tackled more slowly than anticipated.

After the first eight months, the increase of the total of the federally collected tax revenues amounts to 6.4%. The direct taxes (+8.2%) continue outperforming the indirect taxes (+4.1%). This is partly explained by the upswing of the roll receipts during the first eight months of the year. In the case of the personal income tax, this is due to a decline of the refunds, as a counterpart for the accelerated assessment during the autumn of 2011. In the case of the corporate income tax, it concerns a shift from the advance payments of 2010 to the assessment rolls of the tax year 2011.

The transfers, predominantly to other levels of government, continue to decline (-1.5 % after the first eight months of the year). This results in a strong upraise (+ 19.3 %) of the federal government receipts.

The analysis of the main tax categories leads to the following conclusions.

- The growth of the revenues from the withholding tax on movable income, corrected for the accounting backlog, ends up slightly below expectations. This can be explained by a stronger preference of private investors for cash and savings accounts.
- The wage withholding tax remains dynamic and progresses in line with, or even exceeds, the anticipated growth of the total wage bill.
- The VAT revenues worsened in August. Apparently, the retail sales dropped in July, against an unfavourable economic climate in general.
- The evolution of the excise duties remains dynamic, thanks to the strong recovery of excise duties on tobacco, following the low level of the revenues in 2011. On the side of the revenues from excise duties on energy products, the traded volumes decreased in reaction to the evolution of the prices.
- The lack of dynamism on the real estate market weighed heavily on the yield of registration duties.

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<sup>1</sup> This total includes taxes collected by the Belgian federal tax administration that are reported in the federal Ways and Means budget as well as the tax receipts collected by this administration that are transferred to other government levels and institutions (EU, Social Security Funds, Regions and Communities,...). The federally collected taxes that are transferred to local government (municipalities, provinces and the Brussels Agglomeration) are however excluded.

**TOTAL FEDERALLY COLLECTED TAX REVENUES (million euros)**

<b>8 months</b>	<b>2011</b>	<b>2012</b>	<b>Change</b>	<b>Change %</b>
Direct taxes	34.484,5	37.172,8	2.688,3	7,8%
of which:				
- taxes on vehicles	513,3	528,9	15,6	3,0%
- withholding tax on movable income	2.211,2	2.413,2	201,9	9,1%
- advance payments	5.901,9	5.900,7	-1,1	0,0%
- assessment receipts personal income tax	-2.583,5	-2.378,5	205,0	
- assessment receipts corporate income tax	1.058,3	2.283,4	1.225,1	
- wage withholding tax	26.919,3	27.978,8	1.059,5	3,9%
Indirect taxes	26.883,6	27.948,4	1.064,7	4,0%
of which:				
- import duties (*)	1.386,5	1.412,4	25,9	1,9%
- excise duties (*)	4.653,9	5.038,4	384,5	8,3%
- registration duties	2.444,7	2.480,4	35,7	1,5%
- "actual" VAT	16.740,6	17.298,9	558,3	3,3%
- insurance taxes and the like	964,5	1.042,4	77,9	8,1%
<b>Current tax receipts</b>	<b>61.368,1</b>	<b>65.121,1</b>	<b>3.753,0</b>	<b>6,1%</b>
Inheritance duties	1.326,8	1.406,6	79,8	6,0%
<b>Total tax receipts before corrections</b>	<b>62.695,0</b>	<b>66.527,7</b>	<b>3.832,8</b>	<b>6,1%</b>
Increase or decrease of collected but non itemized receipts	-74,2	76,2	150,4	
<b>Total tax receipts including corrections</b>	<b>62.620,8</b>	<b>66.603,9</b>	<b>3.983,1</b>	<b>6,4%</b>
of which:				
- direct taxes including corrections	34.410,3	37.248,9	2.838,6	8,2%
- indirect taxes including inheritance duties and corrections	28.210,5	29.355,0	1.144,5	4,1%

<b>AUGUST</b>	<b>2011</b>	<b>2012</b>	<b>Change</b>	<b>Change %</b>
Direct taxes	3.202,4	3.177,7	-24,7	-0,8%
of which:				
- taxes on vehicles	59,9	69,4	9,5	15,9%
- withholding tax on movable income	246,0	236,6	-9,4	-3,8%
- advance payments	51,0	45,3	-5,7	-11,2%
- assessment receipts personal income tax	17,6	-103,9	-121,5	
- assessment receipts corporate income tax	109,9	134,7	24,9	22,7%
- wage withholding tax	2.686,2	2.766,6	80,5	3,0%
Indirect taxes	3.490,8	3.541,7	50,9	1,5%
of which:				
- import duties (*)	183,5	202,9	19,4	10,6%
- excise duties (*)	559,6	606,2	46,6	8,3%
- registration duties	257,2	263,6	6,4	2,5%
- "actual" VAT	2.315,0	2.299,5	-15,5	-0,7%
- insurance taxes and the like	129,9	124,8	-5,1	-3,9%
<b>Current tax receipts</b>	<b>6.693,2</b>	<b>6.719,4</b>	<b>26,3</b>	<b>0,4%</b>
Inheritance duties	186,8	191,4	4,6	2,5%
<b>Total tax receipts before corrections</b>	<b>6.879,9</b>	<b>6.910,8</b>	<b>30,9</b>	<b>0,4%</b>
Increase or decrease of collected but non itemized receipts	-127,6	27,8	155,4	
<b>Total tax receipts including corrections</b>	<b>6.752,3</b>	<b>6.938,6</b>	<b>186,3</b>	<b>2,8%</b>
of which:				
- direct taxes including corrections	3.074,8	3.205,5	130,7	4,3%
- indirect taxes including inheritance duties and corrections	3.677,5	3.733,1	55,5	1,5%

(\*) preliminary

## The federally collected tax revenues – July 2012

In July, the total of the federally collected tax revenues (<sup>1</sup>) increased by 6,3 % compared to July last year. This time the indirect taxes rose stronger (+9,9%) than the direct taxes (+3,9%), mainly due to the good results of the VAT. In fact, after declining in June, the VAT revenues increased by 13% in July. This upswing largely reflects a rebound after the negative “calendar effect” in comparison to June last year. Regarding direct taxes, we observe a mild progression of the advance payments thanks to the good yield at the second main due date, as well as good results for the wage withholding tax. In July, the revenues came very close to the federal treasury forecasts.

After the first seven months, the increase of the total of the federally collected tax revenues amounts to 6,9 %. Mainly thanks to the assessment roles receipts, the increase of the direct taxes (+8,6 %) exceeds the rise of the indirect taxes. During the same period, the tax revenues transferred to other levels of government slightly decreased. As a result, the federal government receipts strongly increased (+18,8 %).

The analysis of the total tax revenues federally collected in the first seven months, leads to the following conclusions.

- Taking booking delays into account, the receipts of the withholding tax on movable income appropriately reflect the impact of the measures taken. The mild decline of the revenues, assuming unchanged policy, can be explained by the choices households make concerning their investments and by the trend of dropping interest rates. There are no clear indications of a negative impact of the rate hikes on the tax base.
- The rise of the revenues from the wage withholding tax (4,0 %) emerges as a good result. There is no noticeable deviation in comparison to the evolution of the total wage bill and the employment.
- The second main due date of the advance payments delivered nice results, taking the rather sluggish economic climate into account.
- During the first seven months of the year, the gross VAT increased by 3,1 % and the net VAT by 4,0 %. So far, these results do not deviate from the forecasts based on the “economic budget” of last June.
- Assuming unchanged policy, the excise duties on energy products are slightly decreasing. This can be explained by the evolution of the prices as forecasted in the “economic budget” of June. Since the results were particularly weak in the period of comparison, the increase of excise duties on tobacco products remains fierce.
- The registration duties only show a small increase due to the rather pronounced sluggishness of the housing market during the first semester.

Globally no deviation appears compared to the economic situation forecasted in the “economic budget” of June. In other words, so far, clear signs of a possible deterioration of

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the economic climate cannot be observed. Calculated over the first seven months, the underlying trend remains in line with the June forecast of the nominal GDP growth.

**TOTAL FEDERALLY COLLECTED TAX REVENUES (million euros)**

<b>7 months</b>	<b>2011</b>	<b>2012</b>	<b>Change</b>	<b>Change %</b>
Direct taxes	31.282,1	33.995,0	2.712,9	8,7%
of which:				
- taxes on vehicles	453,4	459,5	6,1	1,3%
- withholding tax on movable income	1.965,2	2.176,6	211,4	10,8%
- advance payments	5.850,9	5.855,5	4,6	0,1%
- assessment receipts personal income tax	-2.601,2	-2.274,6	326,6	
- assessment receipts corporate income tax	948,5	2.148,7	1.200,2	
- wage withholding tax	24.233,1	25.212,2	979,1	4,0%
Indirect taxes	23.392,9	24.476,7	1.083,9	4,6%
of which:				
- import duties (*)	1.203,0	1.209,5	6,6	0,5%
- excise duties (*)	4.094,4	4.502,3	407,9	10,0%
- registration duties	2.187,5	2.216,9	29,3	1,3%
- "actual" VAT	14.425,6	14.999,4	573,9	4,0%
- insurance taxes and the like	834,6	917,6	83,0	9,9%
<b>Current tax receipts</b>	<b>54.675,0</b>	<b>58.471,8</b>	<b>3.796,8</b>	<b>6,9%</b>
Inheritance duties	1.140,1	1.215,3	75,2	6,6%
<b>Total tax receipts before corrections</b>	<b>55.815,0</b>	<b>59.687,0</b>	<b>3.872,0</b>	<b>6,9%</b>
Increase or decrease of collected but non itemized receipts	53,4	48,4	-5,0	
<b>Total tax receipts including corrections</b>	<b>55.868,4</b>	<b>59.735,4</b>	<b>3.867,0</b>	<b>6,9%</b>
of which:				
- direct taxes including corrections	31.335,5	34.043,4	2.707,9	8,6%
- indirect taxes including inheritance duties and corrections	24.532,9	25.692,0	1.159,1	4,7%

<b>JULY</b>	<b>2011</b>	<b>2012</b>	<b>Change</b>	<b>Change %</b>
Direct taxes	6.672,3	6.988,2	316,0	4,7%
of which:				
- taxes on vehicles	75,6	68,1	-7,5	-9,9%
- withholding tax on movable income	396,6	297,9	-98,7	-24,9%
- advance payments	1.651,7	1.695,2	43,6	2,6%
- assessment receipts personal income tax	-106,8	-61,5	45,3	
- assessment receipts corporate income tax	210,3	187,7	-22,6	-10,8%
- wage withholding tax	4.403,6	4.748,3	344,8	7,8%
Indirect taxes	4.177,3	4.617,4	440,1	10,5%
of which:				
- import duties (*)	167,7	182,8	15,0	9,0%
- excise duties (*)	659,1	677,7	18,6	2,8%
- registration duties	367,8	360,0	-7,7	-2,1%
- "actual" VAT	2.805,4	3.186,3	380,9	13,6%
- insurance taxes and the like	118,2	159,7	41,5	35,1%
<b>Current tax receipts</b>	<b>10.849,6</b>	<b>11.605,7</b>	<b>756,1</b>	<b>7,0%</b>
Inheritance duties	198,6	192,0	-6,6	-3,3%
<b>Total tax receipts before corrections</b>	<b>11.048,1</b>	<b>11.797,6</b>	<b>749,5</b>	<b>6,8%</b>
Increase or decrease of collected but non itemized receipts	-4,4	-61,9	-57,6	
<b>Total tax receipts including corrections</b>	<b>11.043,8</b>	<b>11.735,7</b>	<b>692,0</b>	<b>6,3%</b>
of which:				
- direct taxes including corrections	6.667,9	6.926,3	258,4	3,9%
- indirect taxes including inheritance duties and corrections	4.375,9	4.809,4	433,5	9,9%

(\*) preliminary

## The federally collected tax revenues – June 2012

The total of the federally collected tax revenues (<sup>1</sup>) increased by 5,7 % in June 2012. The direct taxes rose strongly (+10,4 %) while the indirect taxes stabilized at the level of June last year. The revenues of June are in line with the federal treasury forecasts.

After the first semester, the increase of the total of the federally collected tax revenues equals 7,1 %. The results are better for the direct taxes, which grew by 9,9 %, while the increase for the indirect taxes only reaches 3,6 %. The tax revenues transferred to other layers of government stabilize at the level of a year ago. Consequently, the federal government receipts show a strong increase (+ 19,2 %). This result is however only temporary, it is explained by a delay in the passing on of attributions to social security . This delay should disappear after the publication of the required regulations.

For the main tax categories, the most significant evolutions are the following:

- The withholding tax on interests is still rising. Also the withholding tax on dividends yields more than in the first half of last year, thanks to an upswing in June. A large part of the delay incurred when booking the revenues, was cleared. This explains the upswing of the withholding tax in June. However, the new application still seems causing problems, particularly when subdividing interests and dividends.
- The revenues from the wage withholding tax are below the level that they should reach given the forecasts of wage earnings and employment.
- Concerning the assessment roles of the personal income tax, the gap with the previous tax year has decreased. The assessment roles of the corporate income tax still show excellent results (+1223 million Euro in the first six months), stemming from a shift from advance payments in 2010 to assessment roles of tax year 2011.
- Over the first semester, the growth of the net VAT only reaches 1,7 %. But the dip should only be temporary, it stems from a shift between June and July 2011. Adjusted for anticipation and shifting effects, the growth reaches 5,4 % after six months, outperforming the most recent forecasts regarding the private consumption in the first semester.
- The excise duties increase strongly, mainly at the level of the excise duties on tobacco. This is spurred by the weak performance in the period of reference: during the first semester of the year 2011 the changing of tax payment provisions had a negative impact on the revenues.
- The evolution of the revenues from the registration duties sharply deteriorated in June due to an exceptional refund of gift taxes. The taxes on the conveyance of immovable property are still only weakly increasing.

The federal treasury forecasts for the next three months indicate a 5,7 % rise of the total of the federally collected tax revenues, which would result in an 6,4 % increase over the first nine months of the year.

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**TOTAL FEDERALLY COLLECTED TAX REVENUES (million euros)**

6 months	2011	2012	Change	Change %
Direct taxes	24.609,9	27.006,8	2.397,0	9,7%
of which:				
- taxes on vehicles	377,8	391,3	13,5	3,6%
- withholding tax on movable income	1.568,6	1.878,6	310,0	19,8%
- advance payments	4.199,2	4.160,2	-39,0	-0,9%
- assessment receipts personal income tax	-2.494,4	-2.213,1	281,3	
- assessment receipts corporate income tax	738,1	1.961,0	1.222,8	
- wage withholding tax	19.829,5	20.463,8	634,3	3,2%
Indirect taxes	19.215,6	19.859,3	643,7	3,4%
of which:				
- import duties (*)	1.035,3	1.026,8	-8,5	-0,8%
- excise duties (*)	3.435,3	3.824,5	389,3	11,3%
- registration duties	1.819,8	1.856,8	37,1	2,0%
- "actual" VAT	11.620,1	11.813,1	193,0	1,7%
- insurance taxes and the like	716,4	757,9	41,5	5,8%
<b>Current tax receipts</b>	<b>43.825,4</b>	<b>46.866,1</b>	<b>3.040,7</b>	<b>6,9%</b>
Inheritance duties	941,5	1.023,3	81,8	8,7%
<b>Total tax receipts before corrections</b>	<b>44.766,9</b>	<b>47.889,4</b>	<b>3.122,5</b>	<b>7,0%</b>
Increase or decrease of collected but non itemized receipts	57,7	110,3	52,5	
<b>Total tax receipts including corrections</b>	<b>44.824,7</b>	<b>47.999,7</b>	<b>3.175,0</b>	<b>7,1%</b>
of which:				
- direct taxes including corrections	24.667,6	27.117,1	2.449,5	9,9%
- indirect taxes including inheritance duties and corrections	20.157,1	20.882,6	725,5	3,6%

JUNE	2011	2012	Change	Change %
Direct taxes	4.530,7	5.249,7	719,0	15,9%
of which:				
- taxes on vehicles	70,2	75,9	5,7	8,1%
- withholding tax on movable income	394,9	608,2	213,3	54,0%
- advance payments	163,9	161,4	-2,5	-1,5%
- assessment receipts personal income tax	-309,7	-41,7	268,0	
- assessment receipts corporate income tax	-18,0	156,0	173,9	
- wage withholding tax	4.157,2	4.225,8	68,6	1,7%
Indirect taxes	3.542,5	3.521,6	-20,9	-0,6%
of which:				
- import duties (*)	160,1	172,2	12,1	7,5%
- excise duties (*)	593,7	652,9	59,1	10,0%
- registration duties	329,3	308,8	-20,5	-6,2%
- "actual" VAT	2.289,6	2.217,9	-71,7	-3,1%
- insurance taxes and the like	114,7	113,2	-1,5	-1,3%
<b>Current tax receipts</b>	<b>8.073,2</b>	<b>8.771,3</b>	<b>698,1</b>	<b>8,6%</b>
Inheritance duties	171,6	191,9	20,3	11,8%
<b>Total tax receipts before corrections</b>	<b>8.244,8</b>	<b>8.963,2</b>	<b>718,4</b>	<b>8,7%</b>
Increase or decrease of collected but non itemized receipts	-20,2	-270,1	-250,0	
<b>Total tax receipts including corrections</b>	<b>8.224,6</b>	<b>8.693,0</b>	<b>468,4</b>	<b>5,7%</b>
of which:				
- direct taxes including corrections	4.510,5	4.979,6	469,1	10,4%
- indirect taxes including inheritance duties and corrections	3.714,1	3.713,4	-0,7	0,0%

(\*) preliminary



**TOTAL FEDERALLY COLLECTED TAX REVENUES (million euros)**

5 months	2011	2012	Change	Change %
Direct taxes	20.079,2	21.757,1	1.677,9	8,4%
of which:				
- taxes on vehicles	307,6	315,4	7,8	2,6%
- withholding tax on movable income	1.173,7	1.270,4	96,7	8,2%
- advance payments	4.035,3	3.998,8	-36,5	-0,9%
- assessment receipts personal income tax	-2.184,6	-2.171,4	13,3	
- assessment receipts corporate income tax	756,1	1.805,0	1.048,9	
- wage withholding tax	15.672,3	16.238,0	565,7	3,6%
Indirect taxes	15.673,0	16.338,0	665,0	4,2%
of which:				
- import duties (*)	875,1	854,6	-20,5	-2,3%
- excise duties (*)	2.841,5	3.171,9	330,4	11,6%
- registration duties	1.490,5	1.548,0	57,5	3,9%
- "actual" VAT	9.330,5	9.595,2	264,7	2,8%
- insurance taxes and the like	601,7	644,7	43,0	7,1%
<b>Current tax receipts</b>	<b>35.752,2</b>	<b>38.095,1</b>	<b>2.342,9</b>	<b>6,6%</b>
Inheritance duties	769,9	831,5	61,5	8,0%
<b>Total tax receipts before corrections</b>	<b>36.522,1</b>	<b>38.926,5</b>	<b>2.404,4</b>	<b>6,6%</b>
Increase or decrease of collected but non itemized receipts	77,9	380,4	302,5	
<b>Total tax receipts including corrections</b>	<b>36.600,0</b>	<b>39.306,9</b>	<b>2.706,9</b>	<b>7,4%</b>
of which:				
- direct taxes including corrections	20.157,1	22.137,5	1.980,4	9,8%
- indirect taxes including inheritance duties and corrections	16.443,0	17.169,5	726,5	4,4%

MAY	2011	2012	Change	Change %
Direct taxes	4.674,8	5.167,1	492,3	10,5%
of which:				
- taxes on vehicles	84,8	87,6	2,7	3,2%
- withholding tax on movable income	261,8	417,5	155,7	59,5%
- advance payments	4,6	-14,5	-19,1	-417,3%
- assessment receipts personal income tax	-274,3	-258,2	16,2	
- assessment receipts corporate income tax	65,2	197,9	132,7	
- wage withholding tax	4.482,4	4.666,4	183,9	4,1%
Indirect taxes	2.614,8	2.743,1	128,4	4,9%
of which:				
- import duties (*)	165,3	163,2	-2,0	-1,2%
- excise duties (*)	562,7	602,3	39,6	7,0%
- registration duties	303,7	305,8	2,1	0,7%
- "actual" VAT	1.404,4	1.474,8	70,5	5,0%
- insurance taxes and the like	116,4	141,5	25,0	21,5%
<b>Current tax receipts</b>	<b>7.289,5</b>	<b>7.910,2</b>	<b>620,6</b>	<b>8,5%</b>
Inheritance duties	171,8	187,0	15,2	8,8%
<b>Total tax receipts before corrections</b>	<b>7.461,3</b>	<b>8.097,2</b>	<b>635,8</b>	<b>8,5%</b>
Increase or decrease of collected but non itemized receipts	-1.298,2	-1.406,1	-107,9	
<b>Total tax receipts including corrections</b>	<b>6.163,2</b>	<b>6.691,1</b>	<b>527,9</b>	<b>8,6%</b>
of which:				
- direct taxes including corrections	3.376,6	3.761,0	384,4	11,4%
- indirect taxes including inheritance duties and corrections	2.786,6	2.930,1	143,5	5,2%

(\*) preliminary

**TOTAL FEDERALLY COLLECTED TAX REVENUES (million euros)**

<b>4 months</b>	<b>2011</b>	<b>2012</b>	<b>Change</b>	<b>Change %</b>
Direct taxes	15.404,4	16.590,0	1.185,7	7,7%
of which:				
- taxes on vehicles	222,7	227,9	5,1	2,3%
- withholding tax on movable income	911,9	852,9	-59,0	-6,5%
- advance payments	4.030,8	4.013,4	-17,4	-0,4%
- assessment receipts personal income tax	-1.910,3	-1.913,2	-2,9	
- assessment receipts corporate income tax	690,9	1.607,1	916,2	
- wage withholding tax	11.189,8	11.571,6	381,8	3,4%
Indirect taxes	13.058,3	13.524,5	466,2	3,6%
of which:				
- import duties (*)	709,9	691,4	-18,5	-2,6%
- excise duties (*)	2.278,8	2.499,2	220,4	9,7%
- registration duties	1.186,7	1.242,2	55,5	4,7%
- "actual" VAT	7.926,2	8.120,4	194,2	2,5%
- insurance taxes and the like	485,2	503,2	18,0	3,7%
<b>Current tax receipts</b>	<b>28.462,7</b>	<b>30.114,5</b>	<b>1.651,9</b>	<b>5,8%</b>
Inheritance duties	598,1	644,5	46,4	7,8%
<b>Total tax receipts before corrections</b>	<b>29.060,8</b>	<b>30.759,0</b>	<b>1.698,2</b>	<b>5,8%</b>
Increase or decrease of collected but non itemized receipts	1.376,1	1.786,4	410,3	
<b>Total tax receipts including corrections</b>	<b>30.436,9</b>	<b>32.545,4</b>	<b>2.108,6</b>	<b>6,9%</b>
of which:				
- direct taxes including corrections	16.780,5	18.376,5	1.596,0	9,5%
- indirect taxes including inheritance duties and corrections	13.656,4	14.169,0	512,6	3,8%

<b>APRIL</b>	<b>2011</b>	<b>2012</b>	<b>Change</b>	<b>Change %</b>
Direct taxes	5.351,3	5.678,2	326,9	6,1%
of which:				
- taxes on vehicles	60,1	62,7	2,6	4,3%
- withholding tax on movable income	153,9	237,9	84,0	54,6%
- advance payments	3.535,3	3.522,3	-13,0	-0,4%
- assessment receipts personal income tax	-395,0	-395,3	-0,2	
- assessment receipts corporate income tax	54,6	237,6	183,1	
- wage withholding tax	1.848,2	1.968,0	119,8	6,5%
Indirect taxes	4.407,9	4.603,4	195,4	4,4%
of which:				
- import duties (*)	188,7	182,0	-6,8	-3,6%
- excise duties (*)	605,5	613,9	8,4	1,4%
- registration duties	292,0	299,5	7,5	2,6%
- "actual" VAT	2.980,1	3.158,5	178,4	6,0%
- insurance taxes and the like	144,7	127,5	-17,2	-11,9%
<b>Current tax receipts</b>	<b>9.759,2</b>	<b>10.281,5</b>	<b>522,3</b>	<b>5,4%</b>
Inheritance duties	149,5	158,9	9,3	6,2%
<b>Total tax receipts before corrections</b>	<b>9.908,7</b>	<b>10.440,4</b>	<b>531,7</b>	<b>5,4%</b>
Increase or decrease of collected but non itemized receipts	1.313,9	1.705,2	391,3	
<b>Total tax receipts including corrections</b>	<b>11.222,7</b>	<b>12.145,6</b>	<b>922,9</b>	<b>8,2%</b>
of which:				
- direct taxes including corrections	6.665,2	7.383,4	718,2	10,8%
- indirect taxes including inheritance duties and corrections	4.557,5	4.762,2	204,7	4,5%

(\*) preliminary

## The federally collected tax revenues – March 2012

The total of the federally collected tax revenues (<sup>1</sup>) is increasing by 4.4 % in March 2012. The direct taxes are declining (-4.0%) while the indirect taxes increase strongly (+11.8%). Over the first quarter of the year, the total tax revenues rise by 6,1 %. The results are better for the direct taxes (+8.7%) than for the indirect taxes (+3.3%).

The revenues of March end up euro 133 million euros (2% of the receipts) below the most recent federal treasury estimates. This overestimation concerns most of the items, but in particular the movable income withholding tax and the customs duties.

Over the first quarter of the year the tax revenues transferred to other levels of government are only increasing 1.3 %. As a result, the remaining federal government receipts grow faster (+17.9%) than the total of the federally collected tax revenues.

For the main tax categories, the most significant evolutions are the following:

- The decline of the withholding tax on dividends (-12.1 %) is largely explained by variations in the seasonal pattern as well as by the counterpart of anticipations at the end of the year 2011.
- The movable income tax on interests dropped considerably (-23.4 %). This evolution is worrisome. Although the rate increase might have eroded the tax base, it is hardly plausible that this may explain the drop completely. Moreover, a substantial part of the movable income tax receipts might not have been recorded properly due to administrative problems.
- The revenues from the wage withholding tax are increasing with 2.9% during the first quarter (wage withholding tax levied at source) but this result remains inferior to what could be expected on the basis of the projected growth of the total wage bill.
- The assessment roles of personal income tax practically match the receipts attained in the first quarter of last year. The effect of the acceleration of the assessment rolls extinguished. The assessment roles of the corporate income tax still show a strong increase due to a shift from the advance payments of 2010 to roles.
- The VAT-receipts are stabilizing in the first quarter. A good result in gross VAT has been achieved in March, while the restitutions dropped. The increasingly irregular profile of the restitutions however complicates the interpretation of the monthly results.

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<sup>1</sup> This total includes taxes collected by the Belgian federal tax administration that are reported in the federal Ways and Means budget as well as the tax receipts collected by this administration that are transferred to other government levels and institutions (EU, Social Security Funds, Regions and Communities,...). The federally collected taxes that are transferred to local government (municipalities, provinces and the Brussels Agglomeration) are however excluded.

- The excise duties on energy products and electricity are slightly higher than last year but this is explained by the omission of payments to the Grand Duchy of Luxemburg. When excluding these payments, the revenues show a decline in spite of the implemented discretionary measures. Those price enhancing measures reinforce the negative impact of economic variables on the volumes. The strong increase of the excise duties on tobacco is hard to explain.
- The growth of the revenues from the registration duties retreats in the first quarter, the revenues even dropped in March. Globally the revenues reflect the increased activity on the real estate market as marked by the notary indicator, but they remain inferior to the forecasts based on macro-economic variables.

The comparison of the realisations with the budgetary goals results in an important deficit (747 million euros). The deficit mainly concerns the direct taxes, in particular the tax on movable income and the wage withholding tax. On the other hand, the excise duties exceed the budgetary estimates. The pure VAT shows a deficit of euro 90 million in the first quarter, but this can be explained by the impact that anticipations on new measures had at the end of 2011. The mirror image was a decline of the revenues at the start of 2012.

The comparison of the realisations with the budgetary estimates is based on a new method. As far as possible, it takes cyclical developments into account as well as the monthly pattern of taxes that are not, or only barely, influenced by cyclical evolutions.

A considerable share of the reported deficit may not be considered as definitive. For certain categories of revenues shifts are involved, or there could emerge changes in the seasonal pattern that have not yet been integrated in the method to convert the budgetary goals into quarterly figures. Its impact can be estimated at 425 million euros at the most, which would reduce the deficit to about 325 million euros.

The federal treasury forecasts for the next three months indicate a 6.6% rise of the total of federally collected tax revenues, which would result in an 6.2% increase in the first semester.

**TOTAL FEDERALLY COLLECTED TAX REVENUES (million euros)**

<b>3 months</b>	<b>2011</b>	<b>2012</b>	<b>Change</b>	<b>Change %</b>
Direct taxes	10.053,1	10.911,8	858,7	8,5%
of which:				
- taxes on vehicles	162,6	165,1	2,5	1,6%
- withholding tax on movable income	758,0	615,0	-143,0	-18,9%
- advance payments	495,5	491,1	-4,4	-0,9%
- assessment receipts personal income tax	-1.515,3	-1.517,9	-2,6	
- assessment receipts corporate income tax	636,3	1.369,4	733,1	
- wage withholding tax	9.341,6	9.603,6	262,0	2,8%
Indirect taxes	8.650,3	8.913,7	263,4	3,0%
of which:				
- import duties (*)	521,1	509,4	-11,7	-2,3%
- excise duties (*)	1.673,3	1.877,9	204,6	12,2%
- registration duties	894,8	942,7	48,0	5,4%
- "actual" VAT	4.946,0	4.961,9	15,8	0,3%
- insurance taxes and the like	340,5	375,7	35,1	10,3%
<b>Current tax receipts</b>	<b>18.703,4</b>	<b>19.825,6</b>	<b>1.122,1</b>	<b>6,0%</b>
Inheritance duties	448,6	485,6	37,0	8,3%
<b>Total tax receipts before corrections</b>	<b>19.152,0</b>	<b>20.311,2</b>	<b>1.159,2</b>	<b>6,1%</b>
Increase or decrease of collected but non itemized receipts	62,2	81,3	19,1	
<b>Total tax receipts including corrections</b>	<b>19.214,2</b>	<b>20.392,4</b>	<b>1.178,2</b>	<b>6,1%</b>
of which:				
- direct taxes including corrections	10.115,3	10.993,1	877,8	8,7%
- indirect taxes including inheritance duties and corrections	9.098,9	9.399,4	300,4	3,3%

<b>MARCH</b>	<b>2011</b>	<b>2012</b>	<b>Change</b>	<b>Change %</b>
Direct taxes	2.923,0	2.857,0	-66,0	-2,3%
of which:				
- taxes on vehicles	68,4	63,5	-4,9	-7,2%
- withholding tax on movable income	189,4	155,6	-33,8	-17,9%
- advance payments	226,7	218,9	-7,7	-3,4%
- assessment receipts personal income tax	-586,6	-478,2	108,3	
- assessment receipts corporate income tax	310,4	100,4	-210,0	
- wage withholding tax	2.659,8	2.757,5	97,7	3,7%
Indirect taxes	3.238,2	3.637,0	398,8	12,3%
of which:				
- import duties (*)	187,7	176,7	-11,0	-5,9%
- excise duties (*)	515,8	679,7	163,9	31,8%
- registration duties	321,7	317,6	-4,1	-1,3%
- "actual" VAT	1.839,2	2.139,0	299,8	16,3%
- insurance taxes and the like	187,2	172,6	-14,7	-7,8%
<b>Current tax receipts</b>	<b>6.161,1</b>	<b>6.494,0</b>	<b>332,9</b>	<b>5,4%</b>
Inheritance duties	163,4	165,6	2,1	1,3%
<b>Total tax receipts before corrections</b>	<b>6.324,6</b>	<b>6.659,6</b>	<b>335,0</b>	<b>5,3%</b>
Increase or decrease of collected but non itemized receipts	64,4	11,2	-53,1	
<b>Total tax receipts including corrections</b>	<b>6.388,9</b>	<b>6.670,8</b>	<b>281,9</b>	<b>4,4%</b>
of which:				
- direct taxes including corrections	2.987,3	2.868,2	-119,1	-4,0%
- indirect taxes including inheritance duties and corrections	3.401,6	3.802,6	401,0	11,8%

(\*) preliminary

## **The federally collected tax revenues – February 2012**

The total of the federally collected tax revenues (<sup>1</sup>) is increasing by 13.1% in February 2012. This rise is predominantly located in the direct taxes, which go up by 22.2%, while the indirect taxes only increase by 2.5%. The growth in the revenues from direct taxes is largely explained by the excellent results of the corporate income tax roll receipts. As far as indirect taxes are concerned, the VAT performance is again on a decline. The receipts collected in February exceed the most recent federal treasury estimates. Neither the extent of the growth in the revenues from the corporate income tax roll receipts, nor the decrease of the pure VAT were fully anticipated in the federal treasury estimates.

In the first two months of the year the growth of the total of the federally collected tax revenues was 7%. This includes an increase in the revenues from direct taxes by 14.0% and a decrease of indirect taxes by -1.6%. The latter can be explained by the decline of VAT, while the revenues from the corporate income tax roll receipts are predominantly responsible for the upswing of the revenues from direct taxes.

The federal government receipts are rising by 20.7% due to the weak growth of the revenues transferred to other authorities.

During the first two months the most important tax categories evolved as such:

- The revenues from the movable income withholding tax declined. This was the case for the tax on dividends as well as for the tax on interests. Since the interest rate level remained stable in comparison to last year, the decline of the tax yield on interests is most likely caused by shifts in the composition of investments made by individuals.
- The revenues from the wage withholding tax show a modest rise (3.1% for the wage withholding tax levied at source). This growth rate is smaller than could have been expected on the basis of the projected growth of the total wage bill.
- The acceleration of the assessment rolls of the personal income tax seems to have reached its peak. The very impressive results recorded in the corporate income tax roll receipts are caused by the continuing shift from the advance payments to the roll receipts. In addition, the cash collection ratio improved in February.
- The evolution of the VAT- revenues is problematic: the decline is -9.1% in the first two months. The decrease of January is partly explained by anticipation of new measures which have caused a shift to December, but also by the abnormally high level of receipts in the month of reference (January 2011). The decline in February is caused by the increase of VAT-refunds. They were partly boosted by the accelerated execution of quarterly refunds in comparison to 2011. The impact of the latter is merely temporary.
- The revenues from excise duties on tobacco are stimulated by the rise of the prices implemented since the start of January, while the excise duties on energy products and electricity show a decrease as a result of the negative impact of the price rises on the volumes.
- The growth of the revenues from the registration duties is positive but below the level expected in 2012.

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<sup>1</sup> This total includes taxes collected by the Belgian federal tax administration that are reported in the federal Ways and Means budget as well as the tax receipts collected by this administration that are transferred to other government levels and institutions (EU, Social Security Funds, Regions and Communities,...). The federally collected taxes that are transferred to local government (municipalities, provinces and the Brussels Agglomeration) are however excluded.

These results were recorded in a pessimistic and uncertain cyclical climate. The uncertainty is notably visible in the rather erratic and contradictory evolution of leading indicators. The assessments of companies and families often evolve in a contradictory way and are highly fluctuating from one month to another. This complicates forecasting exercises.

Given this caveat, the federal treasury estimates for the next three months indicate a 5.9% rise in the total of the federally collected tax revenues, which would result in a 6.1% growth for the first five months of the year.

**TOTAL FEDERALLY COLLECTED TAX REVENUES (million euros)**

<b>2 months</b>	<b>2011</b>	<b>2012</b>	<b>Change</b>	<b>Change %</b>
Direct taxes	7.130,1	8.054,8	924,7	13,0%
of which:				
- taxes on vehicles	94,2	101,7	7,4	7,9%
- withholding tax on movable income	568,7	459,5	-109,2	-19,2%
- advance payments	268,8	272,1	3,3	1,2%
- assessment receipts personal income tax	-928,7	-1.039,7	-111,0	
- assessment receipts corporate income tax	326,0	1.269,0	943,0	
- wage withholding tax	6.681,8	6.846,1	164,2	2,5%
Indirect taxes	5.412,2	5.284,1	-128,0	-2,4%
of which:				
- import duties (*)	333,4	332,7	-0,7	-0,2%
- excise duties (*)	1.157,5	1.205,6	48,1	4,2%
- registration duties	573,0	625,1	52,1	9,1%
- "actual" VAT	3.106,8	2.822,8	-284,0	-9,1%
- insurance taxes and the like	153,3	203,1	49,8	32,5%
<b>Current tax receipts</b>	<b>12.542,3</b>	<b>13.339,0</b>	<b>796,7</b>	<b>6,4%</b>
Inheritance duties	285,2	320,1	34,9	12,2%
<b>Total tax receipts before corrections</b>	<b>12.827,5</b>	<b>13.659,0</b>	<b>831,6</b>	<b>6,5%</b>
Increase or decrease of collected but non itemized receipts	-2,2	70,0	72,2	
<b>Total tax receipts including corrections</b>	<b>12.825,3</b>	<b>13.729,1</b>	<b>903,8</b>	<b>7,0%</b>
of which:				
- direct taxes including corrections	7.128,0	8.124,9	996,9	14,0%
- indirect taxes including inheritance duties and corrections	5.697,3	5.604,2	-93,1	-1,6%

<b>FEBRUARY</b>	<b>2010</b>	<b>2011</b>	<b>Change</b>	<b>Change %</b>
Direct taxes	2.776,0	3.446,8	670,8	24,2%
of which:				
- taxes on vehicles	47,8	48,0	0,2	0,5%
- withholding tax on movable income	223,6	222,4	-1,2	-0,5%
- advance payments	15,7	23,7	8,1	51,5%
- assessment receipts personal income tax	-370,0	-325,1	44,9	
- assessment receipts corporate income tax	41,8	549,8	508,0	
- wage withholding tax	2.782,6	2.861,4	78,8	2,8%
Indirect taxes	2.252,7	2.305,2	52,6	2,3%
of which:				
- import duties (*)	179,0	177,4	-1,6	-0,9%
- excise duties (*)	456,2	556,0	99,8	21,9%
- registration duties	275,6	287,5	11,8	4,3%
- "actual" VAT	1.220,2	1.107,4	-112,7	-9,2%
- insurance taxes and the like	76,9	129,9	53,0	68,9%
<b>Current tax receipts</b>	<b>5.028,7</b>	<b>5.752,0</b>	<b>723,3</b>	<b>14,4%</b>
Inheritance duties	145,7	152,3	6,6	4,5%
<b>Total tax receipts before corrections</b>	<b>5.174,4</b>	<b>5.904,4</b>	<b>729,9</b>	<b>14,1%</b>
Increase or decrease of collected but non itemized receipts	-4,1	-58,4	-54,4	
<b>Total tax receipts including corrections</b>	<b>5.170,4</b>	<b>5.846,0</b>	<b>675,6</b>	<b>13,1%</b>
of which:				
- direct taxes including corrections	2.772,0	3.388,4	616,4	22,2%
- indirect taxes including inheritance duties and corrections	2.398,4	2.457,5	59,2	2,5%

(\*) preliminary



## The federally collected tax revenues - January 2012

The total of the federally collected tax revenues (<sup>1</sup>) is 3.0% higher than in January 2011. The results of the indirect taxes and the direct taxes are each others opposite: the first increased by 8.7% while the second decreased by 4.6%. The growth in the revenues of the direct taxes is predominantly explained by the very impressive result of the corporate income tax roll receipts. As far as the indirect taxes are concerned, the disappointing VAT performance with a decline of 9.1% is striking. The revenues of January are higher than the most recent federal treasury estimates.

The revenues transferred to other authorities increased by 2.7% only. The rise of the federal governments receipts (+3.5%) therefore exceeds the growth rate of the total of collected tax revenues.

It is highly speculative to interpret the revenues based on only one month. The timeframe is too short in order to be able to detect the underlying trend and to compare it to the budgetary goals. Hence, we limit ourselves to clarifying some observations and to indicating some explanatory factors.

The following observations can be emphasized:

- The taxes on vehicles of the Wallonian and Brussels Region show a considerable growth, thanks to a jump of the road tax, which reflects the strong monthly fluctuations of the rate of growth of this tax. The tax 'on the entry into service' is showing a decline.
- The withholding tax on dividends is decreasing after a strong performance during the entire year 2011.
- The increase of the revenues from the wage withholding tax is very modest (+3.5% for the wage withholding tax levied at source) and is lower than the rise recorded in the last quarter of the year 2011.
- The acceleration of the assessment rolls of the personal income tax increases the reimbursed sums in comparison to last year, while the revenues from the corporate income tax roll receipts are rising strongly. This probably relates to the previously observed shift from the advance payments (of 2010) to the roll receipts.
- The VAT is showing a downfall, which is mainly caused by a decline of the gross VAT revenues. This indicates a fall in private consumption, which was larger than the latest forecasts predicted. In this context, we should keep in mind the considerable deterioration of the consumer confidence index during the second semester of the year 2011.
- The revenues from excise duties are on the decrease. This is situated at the tobacco excise duties and is explained by a shift which had favoured the revenues of the month of January 2011 at the expense of the following months. The revenues from the excise duties shown an increase when neutralising this shift.
- The growth of the revenues from the registration duties on purchases of real estate is shrinking significantly in January. With 2.3%, we are well below the growth rates registered during 2011.

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<sup>1</sup> This total includes taxes collected by the Belgian federal tax administration that are reported in the federal Ways and Means budget as well as the tax receipts collected by this administration that are transferred to other government levels and institutions (EU, Social Security Funds, Regions and Communities,...). The federally collected taxes that are transferred to local government (municipalities, provinces and the Brussels Agglomeration) are however excluded.

The federal treasury estimates for the next three months indicate a rise in the total of the collected tax revenues with 6.1%, which would result in attaining a 4.9% growth in the first four months of the year .

**TOTAL FEDERALLY COLLECTED TAX REVENUES (million euros)**

<b>1 month</b>	<b>2011</b>	<b>2012</b>	<b>Change</b>	<b>Change %</b>
Direct taxes	4.354,1	4.608,0	253,9	5,8%
of which:				
- taxes on vehicles	46,5	53,6	7,2	15,5%
- withholding tax on movable income	345,0	237,1	-108,0	-31,3%
- advance payments	253,2	248,4	-4,8	-1,9%
- assessment receipts personal income tax	-558,7	-714,6	-155,9	
- assessment receipts corporate income tax	284,2	719,3	435,1	153,1%
- wage withholding tax	3.899,3	3.984,7	85,4	2,2%
Indirect taxes	3.159,5	2.978,9	-180,6	-5,7%
of which:				
- import duties (*)	154,5	155,3	0,8	0,5%
- excise duties (*)	701,3	649,5	-51,7	-7,4%
- registration duties	297,4	337,7	40,3	13,5%
- "actual" VAT	1.886,6	1.715,4	-171,2	-9,1%
- insurance taxes and the like	76,4	73,2	-3,2	-4,2%
<b>Current tax receipts</b>	<b>7.513,6</b>	<b>7.586,9</b>	<b>73,3</b>	<b>1,0%</b>
Inheritance duties	139,4	167,7	28,3	20,3%
<b>Total tax receipts before corrections</b>	<b>7.653,0</b>	<b>7.754,7</b>	<b>101,6</b>	<b>1,3%</b>
Increase or decrease of collected but non itemized receipts	1,9	128,4	126,5	
<b>Total tax receipts including corrections</b>	<b>7.654,9</b>	<b>7.883,1</b>	<b>228,2</b>	<b>3,0%</b>
of which:				
- direct taxes including corrections	4.356,0	4.736,4	380,5	8,7%
- indirect taxes including inheritance duties and corrections	3.298,9	3.146,7	-152,3	-4,6%

<b>JANUARY</b>	<b>2011</b>	<b>2012</b>	<b>Change</b>	<b>Change %</b>
Direct taxes	4.354,1	4.608,0	253,9	5,8%
of which:				
- taxes on vehicles	46,5	53,6	7,2	15,5%
- withholding tax on movable income	345,0	237,1	-108,0	-31,3%
- advance payments	253,2	248,4	-4,8	-1,9%
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Indirect taxes	3.159,5	2.978,9	-180,6	-5,7%
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- direct taxes including corrections	4.356,0	4.736,4	380,5	8,7%
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(\*) preliminary