

NEWSLETTER

“HOUSING” SUPPORT MEASURES

Measures for 2024 (with retroactive effect from January 1st, 2024 onwards)

1.1. The "Bëllegen Akt" tax credit

The "Bëllegen Akt" tax credit for the acquisition of a principal residence will be increased from €30,000 to €40,000 per individual.

Individuals who have "used up" the €30,000 before January 1st, 2024 will be entitled to the difference of €10,000 for 2024.

1.2. A new "Bëllegen Akt" for investment in rental property

A new "Bëllegen Akt" tax credit for investment in rental property has been introduced. The amount of the tax credit is set to €20,000 per individual, or €40,000 for a couple.

It applies only to sales in the future state of completion ("VEFA"), and the purchaser undertakes to rent the property for a minimum period of two years.

1.3. Reduction of the capital gains tax rate to a quarter of the overall rate

The rate of capital gains tax on the sale of a property in 2024 will be reduced to a quarter of the overall rate.

From January 1st, 2025, capital gains on property will once again be taxed at half the overall rate, provided that the property has been held for more than 5 years.

1.4. Increase in the rate and duration of accelerated depreciation for housing built for rental purposes

The rate of accelerated depreciation for housing built with the aim of being rented and completed in 2024 will be increased to 6% for a period of 6 years. The maximum annual amount that can be claimed under this scheme is capped at €250,000.



1.5 Immunisation of capital gains transferred on housing used for social rental management or on housing with an A+ energy performance rating

Capital gains on housing used for social rental management purposes within the country or on housing with an A+ energy performance rating will be tax exempt.

Open-ended structural measures

2.1. Increase of the tax deductibility of interest expenses

The deduction limits for interests on debts relating to the owner-occupied or owner-occupied main residence have been increased by one third.

The new ceilings rise from :

- €3,000 to €4,000 for the first 5 years,
- €2,250 to €3,000 euros for the subsequent 5 years (6-10 years),
- €1,500 to €2,000 euros thereafter.

The ceiling is multiplied by the number of people living in the taxpayer's household.

2.2. Increase in exemption for net income from social rental management

The exemption on the net income from renting a property through an organisation involved in social rental management (GLS) will be increased from 75% to 90%

2.3. Extension of capital gains tax exemption to the Housing Fund

Exemption from income tax on capital gains and profits from the sale of property will be extended to the Housing Fund.

2.4. Introduction of a partial tax exemption for premiums paid for the purpose of renting out a home

A partial tax exemption has been introduced for bonuses paid by companies to their employees for renting accommodation.

The amount of the tax exemption will be capped at €1,000 per month, 25% of which will be tax-free.

This scheme will be reserved for young employees up to the age of 30 whose income level does not exceed 2.5 times the qualified social minimum wage (SSM).

