



Remodelling your house: *Save on VAT*

Labour costs associated with most remodelling projects are eligible for an immediate VAT rate reduction from 23% to 6%. The application of this tax break is immediate on the invoice and does not depend on any other formality. Most home improvement projects are eligible: remodelling, renovation, restoration, repair or maintenance of buildings or separate parts thereof affecting residential housing.

Some expenses still pay full VAT

Omitted from the reduced rate are *building materials* used in these operations, except if their value does not exceed 20% of the total. Also excluded from this benefit are expenses for cleaning, garden maintenance and projects on real property covering all or part of the components of swimming pools, saunas, tennis courts, golf, mini-golf or similar facilities. The next time you consider upgrading your kitchen or touching up the paint on the walls, pay attention to the VAT rate that the contractor applies on the bill for his services. The reduction is immediate and so is the benefit.

More good news

Beyond VAT, these home improvement invoices still remain eligible to contribute to other tax breaks. In IRS, you can register your receipts for the *family overheads* that lead to a 35% tax credit on invoiced amounts up to a maximum of €250. To achieve the maximum tax break, you must spend €714. In addition, your bills also qualify you for the *Lucky Invoice Lottery* drawing where the Tax Authority raffles a Treasury Bills each month to a fortunate taxpayer.