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The debate regarding the number of company cars in Belgium

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L'épineuse question du nombre de voitures de société en Belgique

De netelige kwestie van het aantal bedrijfswagens in België

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AUTHOR'S NOTE

This fact sheet was written in the framework of the *Brussels Studies Institute* (BSI) research chair on companies and sustainable mobility associating the *Institut de Gestion de l'Environnement et d'Aménagement du Territoire* (IGEAT) at *Université libre de Bruxelles*, the *Centre d'études sociologiques* (CES) at *Université Saint-Louis - Bruxelles* and the *Mobility, Logistics and Automotive Technology Research Centre* (MOBI) at *Vrije Universiteit Brussel*. For more information on the programme, its financing and the research teams, visit <http://sustainable-mobility.bsi-brussels.be/>

Introduction

- 1 Mobility issues, in particular in Brussels, often lead to a debate regarding company cars. But the question arises as to the quantification of this phenomenon. In order to evaluate precisely the economic, tax, environmental and mobility implications of company cars, it is fundamental to know their numbers.

1. Definition

- 2 A company car is defined here in the strict sense as a car which is made available to a worker by his or her company or employer and which may be used for private reasons. Therefore, personal vehicles belonging to self-employed workers (primary, secondary or assisting) or service vehicles which an employer makes available to staff for exclusively professional use, are not included in this definition.
- 3 Two categories of beneficiary are included in this definition: employees and company directors, with the latter having the status of self-employed worker.

2. The identification of a company car

- 4 On 31 December 2015, there were 831 000 cars¹ registered in the name of a legal person in Belgium. This figure includes company cars as well as service vehicles, short-term hire vehicles, replacement vehicles used by garages, etc.
- 5 Company cars as defined in section 1 are subject to two legal obligations: the CO₂ solidarity contribution (only for employees) and the declaration of a benefit of any kind (BAK).
- 6 An employer who provides an employee with a vehicle which may be used for purposes other than professional use must pay a CO₂ solidarity contribution to ONSS (the national social security authorities). This CO₂ solidarity contribution does not exist for company directors.
- 7 However, in their tax declaration, company directors and employees must mention a benefit of any kind for the use of a company vehicle. The benefits of any kind must normally be indicated with a corresponding code, which allows company cars to be identified. However, taxpayers must only provide the global amount of benefits of any kind, without a breakdown between the corresponding codes. It is also possible for the global amount of benefits of any kind to be included directly in the salary and not mentioned separately. Consequently, the tax data do not allow us to count all of the beneficiaries of company cars.

3. The true number of company cars in Belgium

3.1. Estimation based on tax and social statistics

- 8 Thanks to the CO₂ solidarity contribution, it is easy to know the number of company cars made available to employed workers: there were 425 000² in the fourth quarter of 2015 (these cars are referred to as 'salary-cars' by SPF Mobilité).
- 9 As regards company directors, 122 350 stated in their tax declaration that they had at least one company car in 2013 (via the corresponding code). In the same year, SPF Finances recorded 295 000 personal income tax declarations by company directors.³ Therefore, at least 41,5 % of company directors have a company car. This figure most likely underestimates the actual number, but there are no administrative statistics which allow the phenomenon to be quantified more precisely.

3.2. Estimation based on cars which belong to a legal person

- 10 A second way to estimate the number of company cars consists in taking the number of cars owned by a legal person (831 000 on 31 December 2015) and subtracting all of the vehicles which are not company cars; i.e. service vehicles, short-term hire cars (in train stations, airports, car sharing, etc.) and replacement vehicles (garages, insurance companies, etc.).
- 11 According to a study by *Vlerick Business School* in June 2013,⁴ at the time there were 17 000 cars owned by short-term hire companies and 52 000 replacement cars which belonged to garages and dealerships. In addition, in 2015, Cambio and Zencar had a fleet of approximately 650 vehicles.
- 12 Consequently, the number of company cars is equal to:

$$\text{company car} = 831\,000 - \text{service car} - 17\,000 - 52\,000 - 650$$
- 13 The only known source of information on the number of service vehicles is the Brussels-Capital Region company travel plans for 2014. These plans concern 500 companies and 263 000 workers, i.e. 37 % of jobs in Brussels.⁵ In this sample, companies have on average 7,35 times more company cars than service vehicles.
- 14 On this basis, there are approximately 91 200 service vehicles in Belgium and 670 000 company cars. The latter figure is in all likelihood higher than the estimation of the number of company cars in Belgium, for three reasons.
- 15 Firstly, the people who work in Brussels are more likely to have a company car than those in Wallonia or Flanders.⁶ If a company provides its workers with company cars, presumably it has less of a need for service vehicles. This phenomenon is observed in the successive company travel plans with a decrease in the number of service vehicles compared to the number of company cars, which is increasing steadily.⁷
- 16 Secondly, if there were 670 000 company cars on 31 December 2015, this implies that 245 000 company directors have a company car, i.e. 80 % of them,⁸ which is a lot with regard to the information from the social secretariats.
- 17 Thirdly, apart from short-term hire vehicles, car sharing and cars which belong to garages, there are probably other vehicles (which are not company cars) which belong to legal persons and which have not been taken into account.

3.3. A range of estimates

- 18 To sum up, it is impossible to estimate precisely the number of company cars in Belgium, as we do not know how many are made available to company directors. There were at least 550 000 in 2015 (425 000 for employees and 125 000 for company directors) and in all likelihood at most 670 000.
- 19 Certain observers state that 2/3 of company directors have a company car. On this basis, a cautious estimate would be that there were approximately 625 000⁹ company cars in Belgium in the fourth quarter of 2015, i.e. 425 000 for employees and 200 000 for company directors.
- 20 If this is the case, 13,5 % of workers benefit from a company car,¹⁰ and they represent 11 % of the total number of cars.

4. The place of residence of beneficiaries of company cars

- 21 The administrative data currently gathered by ONSS do not allow an identification of the people who benefit from a company vehicle, or the places where workers go to work (cars are registered at the head office of the employer).
- 22 Consequently, only the data gathered by SPF Finances based on tax declarations provide a picture of the spatial distribution of company cars according to place of residence (for the districts). Given the uncertainties related to the number of company cars used by company directors, it is more cautious to map the company cars made available to employees, for whom tax data are more representative.¹¹

Figure 1. Distribution of company cars used by employed workers, according to the place of residence of beneficiaries in 2014

THE SIZE OF THE CIRCLES IS PROPORTIONAL TO THE NUMBER OF BENEFITS OF ANY KIND (BAK) DECLARED AND ARE COLOURED ACCORDING TO AN INDEX OF SPECIFICITY OBTAINED BY COMPARING THE NUMBER OF COMPANY CARS PER EMPLOYEE IN THE PRIVATE SECTOR FOR THE DISTRICT AND THE AVERAGE NUMBER OF COMPANY CARS PER EMPLOYEE IN THE PRIVATE SECTOR FOR BELGIUM. AS THE NUMBER OF COMPANY CARS PER EMPLOYEE IN THE PRIVATE SECTOR INCREASES, THE CIRCLES BECOME RED.

SOURCE: DATABASE OF THE SPF FINANCES SIRE MODEL, ONSS. PROCESSING BY X. MAY, ULB-IGEAT

- 23 There are more company cars in Flanders and Brussels than in Wallonia. However, by refining the analysis to district level, Walloon Brabant has the highest number of company cars per employed worker in the private sector. Overall, overrepresentations are observed essentially in the large metropolitan areas of the centre and north of the country.

- 24 These (sub-)regional differences are due in all likelihood to the residential logic of workers employed in the sectors of activity which provide the highest number of company cars (usually high-level tertiary services).
- 25 It should be noted that if the same map is made with all of the company cars known by SPF Finances (i.e. those of employees and company directors) with respect to the employed population, the gaps widen between districts.

5. Evolution over the past decade

- 26 Between 31 December 2006 and 2015, the number of cars registered in the name of a legal person (including company cars as well as service cars, hire cars, etc.) has risen from 631 000 to 831 000, i.e. an increase of more than 31 % in 9 years.¹² During the same period (from the first quarter of 2007 to the fourth quarter of 2015), the number of company cars provided to employed workers increased by 153 000, rising from 272 000 to 425 000, i.e. a 56 % increase.
- 27 For company directors, the number of company cars has probably also increased (like the number of company directors), but the rate is difficult to determine due to a lack of data.
- 28 Consequently, even if it seems impossible to provide exact figures on the number of company cars, their number has increased rapidly over the past decade. In addition, the figures provided regarding company cars often underestimate the actual numbers, as they do not take into account the company cars used by company directors.

NOTES

1. Source: SPF Mobilité & Transports, FEBIAC

2. Source: SPF Mobilité

3. A tax declaration may concern two people in a household; this is why there may be more company directors than the number of declarations made.

4. *La location de véhicules à court terme en Belgique : regard éclairé sur un marché opaque*, Vlerick Business School, June 2013, p. 16.

5. The organisations or companies whose sites employ more than 100 workers are subject to company travel plans (CTP).

6. According to the figures provided by the *Conseil Central de l'Économie* based on a sample from the SD Worx database, 23,9 % of employees in the private sector in Brussels have a company car, compared to 16,3 % in Flanders and 13,1 % in Wallonia (at the workplace). These figures were published in the framework of the study "*Constatations relatives aux interventions de l'employeur dans le coût des déplacements domicile-travail des salariés du secteur privé*" and concern the year 2014.

7. In November 2009, there were 4 236 service vehicles and 16 676 company cars in the company travel plans for Brussels-Capital Region (1 service vehicle per 4 company cars). In 2011, there were 5 096 service vehicles and 29 016 company cars (a ratio of 1 to 5,7). In 2014, there were 4 163 service vehicles and 30 667 company cars (a ratio of 1 to 7,35).

8. SPF Finances received 309 000 personal income tax declarations for company directors on 31 December 2015.
 9. This figure is close to the estimate provided by the consultancy firm Hay Group which counted 650 000 company cars in Belgium based on a survey conducted in 2014 with 500 Belgian companies. This study, which may be accessed for a fee, was not consulted.
 10. According to the source, Belgium has between 4 500 000 and 4 600 000 workers (employees and self-employed).
 11. In 2013, the SPF Finances database included 307 650 company cars for employed workers, whereas ONSS counted 389 687. This means that 79 % of employee tax declarations specify explicitly a benefit of any kind associated with the use of a company car.
 12. At the same time, the number of vehicles owned by self-employed individuals decreased from 307 000 cars in 2007 to 290 000 in 2015. This decrease may be due to the fact that less self-employed people have a car or that some of them have chosen an operational leasing arrangement. In the latter case, vehicles are included in the category of cars registered in the name of a legal person (i.e. the leasing company).
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ABSTRACTS

Many different figures are mentioned regarding the number of company cars in Belgium. A definition is adopted and two types of beneficiary are identified. However, the analysis of official statistics shows that no source allows us to determine the number of company cars in Belgium, although it is certain that their numbers have increased rapidly over the past decade. An attempt to quantify the number of vehicles concerned is carried out as well as a mapping of the places of residence of beneficiaries for all districts...

De nombreux chiffres sont régulièrement cités en Belgique au sujet du nombre de voitures de société. Une définition est adoptée et deux catégories de bénéficiaires identifiées. Cependant, il ressort de l'analyse des statistiques officielles qu'aucune source ne permet de déterminer le nombre de voitures de société en Belgique même s'il est certain que leur nombre connaît une très rapide augmentation au cours de la dernière décennie. Une tentative de quantification du nombre de véhicules concernés est réalisée ainsi qu'une géographie des lieux de résidence des bénéficiaires à l'échelle des arrondissements.

In België worden regelmatig een groot aantal cijfers aangehaald over het aantal bedrijfswagens. Het begrip "bedrijfswagen" wordt gedefinieerd en er worden twee categorieën van begunstigten onderscheiden. Uit de analyse van de officiële statistieken blijkt evenwel dat geen enkele bron het mogelijk maakt om het aantal bedrijfswagens in België nauwkeurig te bepalen, maar het staat vast dat het aantal bedrijfswagens zeer snel toegenomen is in het laatste decennium. Er wordt een poging gedaan om de voertuigen in kwestie te kwantificeren en een cartografie van de woonplaats van de begunstigten op de schaal van de arrondissementen uit te werken. auto, overheidsop treden, mobiliteit

INDEX

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