

## COMPLETE GUIDE TO

# French Tax

### EVERYTHING YOU NEED TO KNOW ABOUT

- ✓ Income tax, PAYE, and social contributions
- ✓ Declaring pensions, rental income, and household income
- ✓ Capital gains, wealth tax, and property taxes



**French visas and residency made simple -**  
*everything you need to know to start your life in France*

| PAGES | CHAPTERS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 05-08 | <a href="#">Where to start with French Tax</a> <ul style="list-style-type: none"> <li>» An overview of French tax liabilities <ul style="list-style-type: none"> <li>◦ Taxes related to property</li> <li>◦ Taxes related to income</li> <li>◦ Taxes related to professional activities</li> <li>◦ Social security contributions</li> </ul> </li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| 09-14 | <a href="#">French taxes related to property</a> <ul style="list-style-type: none"> <li>» Which taxes do you need to pay on your French property?</li> <li>» Who has to pay French property taxes?</li> <li>» Taxe Foncière</li> <li>» Taxe d'Habitation</li> <li>» Online property declaration of occupation</li> <li>» How to pay property taxes on your French home</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 15-24 | <a href="#">*UPDATED FOR 2025* French taxes related to income</a> <ul style="list-style-type: none"> <li>» Who needs to file a tax return in France?</li> <li>» Do you need to pay income tax?</li> <li>» French income tax: what you need to know <ul style="list-style-type: none"> <li>◦ Fiscal household</li> <li>◦ What is a Quotient Familial</li> <li>◦ How many 'parts' is your fiscal household made up of?</li> <li>◦ France's progressive scale of income tax</li> </ul> </li> <li>» French income tax - how much will you have to pay? <ul style="list-style-type: none"> <li>◦ How much tax will your household pay in France?</li> <li>◦ Changes to your household situation</li> </ul> </li> <li>» What is the French PAYE (PAS) system? <ul style="list-style-type: none"> <li>◦ Income subject to the PAS system</li> <li>◦ Understanding PAYE in France: how much will I pay?</li> <li>◦ How are the taxes deducted under the PAYE system?</li> </ul> </li> </ul> |

## PAGES

## CHAPTERS

26-42

### [\\*UPDATED FOR 2025\\* Your French Tax Return](#)

- What happens if I pay too much/too little?
- Upfront income taxes for businesses
- » Paying Tax on Your UK or Overseas Pension in France
- » When do you need to file your tax return?
- » How to get a French numéro fiscal & open your online tax account
- » Impots.gouv.fr: your guide to the French tax website
- » Filling in your French tax return: The BASICS (Step-by-Step)
- » Understanding your tax bill
  - What is the Revenu Fiscal de Référence (RFR)?
- » French Tax FAQs
  - What if I file my tax return late?
  - What if I've made a mistake & need to amend my tax return?
  - What are the penalties for late filing?
- » Where & how to get help filling in your French tax return

43-49

### [Understanding French Social Contributions](#)

- » What are social charges in France
- » Why are taxes and social charges so high?
- » Who needs to pay French social charges?
- » Rates of French social charges - how much will you pay on your earnings?
- » Rates of French social charges - how much will you pay on your pension?
- » Rates of French social charges - how much will you pay on your savings, investment and other income?

| PAGES | CHAPTERS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 51-57 | <b><u><a href="#">*UPDATED FOR 2025* Taxation of Rental</a></u></b> <ul style="list-style-type: none"><li>» Will you pay tax on your rental income in France?</li><li>» Will you pay tax on your UK, US or other overseas rental income in France?</li><li>» Taxes on French rental income for non-residents</li></ul>                                                                                                                                                                                                                                                                                                            |
| 59-63 | <b><u><a href="#">French tax related to real estate value</a></u></b> <ul style="list-style-type: none"><li>» What is French wealth tax or IFI?</li><li>» How is wealth calculated?</li><li>» How does marriage and PACS affect wealth tax?</li><li>» Paying French wealth tax</li><li>» What happens if I file my wealth tax return after the deadline?</li></ul>                                                                                                                                                                                                                                                                |
| 64-72 | <b><u><a href="#">French Capital Gains Tax</a></u></b> <ul style="list-style-type: none"><li>» Are capital gains taxed in France?</li><li>» Will I pay tax if I sell my French property?</li><li>» How much is capital gains tax in France?</li><li>» How is individual capital gains tax calculated in France?</li><li>» Do I need to pay capital gains tax in France as a non-resident?</li><li>» Will I pay capital gains tax both in France and in my home country?</li><li>» Do I need to pay capital gains tax in France on the sale of my UK or US property?</li><li>» How do I pay capital gains tax in France?</li></ul> |
| 73-76 | <b><u><a href="#">*UPDATED FOR 2025* French Tax Calendar</a></u></b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

---

# Where to start with French Tax

---

- » An overview of French tax liabilities
  - ° Taxes related to property
  - ° Taxes related to income
  - ° Taxes related to professional activities
  - ° Social security contributions

# Where to start French Tax



Whether you are thinking of living in France permanently, investing in French property to earn a rental income from, or buying a property simply for personal use as a secondary residence – this beginner’s guide covers all the key information that you need to know about French taxation.

We’ll walk you through all the practical information relating to the different types of taxes that exist in France, from local property taxes to income tax and wealth tax, with a view to helping you understand which of these taxes may be relevant in your particular situation.

---

## | An overview of French tax liabilities

Here are the main taxes and social contributions you need to be aware of:

### Taxes related to property

#### ***Taxe Foncière***

If you own a property in France, whether or not you reside in the property, you are liable for *taxe foncière*. This ownership tax is based on the size of the property, its

outbuildings, and annex facilities (such as swimming pool, garden shed, etc) and the amount and category of land that comes with the property.

### ***Taxe d'habitation***

If you own a secondary residence in France, you will also be liable for the *taxe d'habitation*, in addition to the *taxe foncière*. This tax is similar to council tax in the UK, and is based on who lives in or has use of the property on 1st January of each year, taking into account their income; non-residents are usually charged a premium rate of tax as they do not use the property all year-round and do not declare their worldwide revenue in France. This tax has been abolished for primary residences.

### ***Taxe sur les logements vacants***

If you own a secondary residence in France and do not use it for long periods of time, you could also be liable for a vacant property tax, called *taxe sur les logements vacants*. This is particularly true in areas where there is a lack of residential housing available for residents.

### ***Cotisation Foncière des Entreprises (CFE)***

If you let your property on a furnished rental basis, you may be liable for business rates, called *cotisation foncière des entreprises* (CFE). This tax is partially calculated on the same basis as the *taxe foncière* with an element of the calculation linked to the rental income. There are some exemptions to this tax if you fulfil certain criteria, but as a furnished rental is considered a small business in France, just be aware that you may be liable.

### ***Impôt sur la fortune immobilière (IFI)***

If the market value of your real estate assets on 1st January of each year exceeds 1.3 million euros, you could also be liable for real estate wealth tax, called *impôt sur la fortune immobilière* (IFI). The scope of the tax will depend on whether or not you are French tax resident, how long you've been resident, and whether or not you have any outstanding deductible debts that can be offset against the market value.

See the chapter *French tax related to real estate value* for more detailed notes on the progressive scale of wealth tax that highlights which assets are taxable and what debts are deductible.

### ***Impôt sur la plus-value immobilière***

When you come to resell a property in France, you may be liable to pay *plus-value immobilière*, which is capital gains tax (CGT) on the sale of real estate property. There are two categories of capital gains tax - individual capital gains (for property



owners who use their properties personally, or who do not run a professional activity from their property); and professional capital gains tax for those who are selling property that has been used for professional purposes.

See the chapter *French Capital Gains Tax* for more detailed notes surrounding individual capital gains tax, which is the CGT we will be concentrating on within this guide.

### Taxes related to personal income

#### ***Prélèvements sociaux***

In addition to income tax, social taxes are applied to all asset income (rental income, investment income), and may be applied to foreign pension income according to various criteria.

See the chapters *French taxes related to income* and *Understanding French Social Contributions* for a more detailed look at the progressive scale of income tax and the various rates of social taxes.

### Taxes related to professional income

#### ***Taxe sur la valeur ajoutée (TVA)***

If you run a business in France, you may also be liable to collect and pay VAT according to various criteria and thresholds, as a sole trader, partnership or limited liability company.

#### ***Impôt sur les sociétés (IS)***

Should you set up or have any kind of commercial limited liability company, the company will also pay corporation tax, called *impôt sur les sociétés (IS)*, on profits.

The CFE tax mentioned above will also be due by most professionals working in France whose annual turnover exceeds

5,000€ (with the exception of certain professionals who do not run their business from a fixed location, such as ski instructors).

### Social Security Contributions

Social security contributions, also known as *cotisations sociales* or *charges sociales*, are mandatory in France, applied only to professional income. They are not to be confused with the social taxes applied to asset income or foreign pension income (*prélèvements sociaux*) but the same social taxes applied to asset income are also an integral part of the overall social security contributions paid by a professional in France. (We know, it's confusing when the French use similar terms to describe different types of charges!)

The principal social contributions paid on professional income cover your basic health insurance and the basic pension. For salaried employees, there are additional contributions towards family allowance, loss of earnings and unemployment, not all of which are included in a self-employed person's contributions, or cover.

See the chapter *Understanding French Social Contributions* to understand the level of social security contributions levied on professional income.

---

# French Taxes related to Property

---

- » Which taxes do you need to pay on your French property?
- » Who has to pay French property taxes?
- » Taxe Foncière
- » Taxe d'Habitation
- » Online property declaration of occupation
- » How to pay property taxes on your French home

# French Taxes related to property

France is notorious for being one of the highest tax-paying countries in Europe, so it should come as no surprise that there are taxes to pay as a French homeowner. Here's what you need to know about French property taxes, including your tax-paying responsibilities, tax rates, and how to pay your property tax bills.

## | Which Taxes Do You Need to Pay on Your French Property?

The two main property taxes of those listed at the start of this guide are:

- *Taxe foncière* (Land Tax)\*
- *Taxe d'habitation* (Housing or Residence Tax - for secondary residences only)

\**Waste Collection Tax/Taxe d'Enlèvement des Ordures Ménagères*

Generally included in the *taxe foncière* bill (although sometimes charged separately by the local town hall) is the *Taxe d'Enlèvement des Ordures Ménagères (TEOM)*, or refuse collection fee. This applies to all homeowners that benefit from waste collection services organised by the local commune. While this tax is paid by the property owners, in the case of a long-term rental property it can also be recharged to the tenant as monthly or annual charges included in the rental amount.

### *French TV Licence/CAP*

Good news for French homeowners - as of 2022, the *contribution à l'audiovisuel public (CAP)* or TV licence has now been scrapped, even for professional rental landlords!

## | Who has to pay French property taxes?

*Taxe foncière* is a land tax, and is paid by the owner of the property regardless of whether they occupy the property or whether the property is a second home, rental property or primary residence.

*Taxe d'habitation* is a residence tax. You have to pay this tax if you own a property and live in it yourself, have it available for your use, or rent it out on short-term lets. Where properties are rented out long-term, this would have been paid by the tenant, although it has been abolished for primary residences so should not be due in this case.

## | Taxe Foncière

*Taxe foncière* is divided into two parts: tax on buildings (*taxe foncière sur les propriétés bâties*) and tax on land (*taxe foncière sur les propriétés non bâties*). The latter is no longer levied locally and is levied nationally instead. The tax on buildings is paid on any property that is habitable, whether or not it is occupied.

If you sell a property part-way through the year, the tax is apportioned by the notary dealing with the sale.

An exemption is available against the main home if the occupant is 75 or over (or in receipt of certain disability or old-age allowances) as of 1st January of the relevant year, and as long as their taxable income in the previous year did not exceed a certain threshold (in 2024 this is based on a 2022 taxable income threshold of €12,455 for a single person or €19,107 for a married couple). Exemptions are also made for low-income households that fall under a benchmark tax income set annually. The calculation depends on the number of “family quotient” (quotient familial) units available.

Where the taxpayer is aged between 65 and 75 on 1st January and where their taxable income falls below the above limits, a flat €100 discount is automatically applied to the *taxe foncière* payable on their main home (unless they share the house with anyone other than a spouse or dependant).

Exemptions and reliefs are available on land used for certain purposes such as farming.

New buildings and renovated properties used as the main home are generally exempt from *taxe foncière* for the first two years after construction, although there is usually a minimal tax for the land itself. Renovated properties can benefit provided that reconstruction or additional construction work has been carried out, and is determined according to the nature and size of the work. A special Tax Form (H1 or IL) must be filed with the local tax authorities within 90 days of completion of the property or renovation works.

### How much is the Taxe Foncière?

The *taxe foncière* is calculated once a year for the entire year based on the situation at the start of the tax year (January 1st). The tax is calculated using a tax base equal to half of the cadastral rental value (which is updated annually) and a tax rate set by the regional communes.

*Taxe foncière* rates can vary hugely throughout the country, so it's extremely



difficult to provide reliable ballpark figures. When purchasing a property, it's a good idea to ask your estate agent or the previous owner for an estimation of

their annual *taxe foncière* bill. You can also enquire about the commune's *taxe foncière* rates at your local tax office.



## | Taxe d'Habitation

*Taxe d'habitation* is determined by local and regional councils and is spent on community services by your local municipality. As of 2023, the *Taxe d'habitation* is only paid on second homes and additional properties. Households no longer have to pay the *Taxe d'habitation* on their main residence.

### How much is the Taxe d'Habitation?

The tax is based on a notional rental value for the property multiplied by the tax rate fixed in the locality. The household fiscal revenue is also taken into account (although for non-residents, the French authorities do not have access to worldwide revenue and therefore apply a premium for non-residents).

### Taxe d'Habitation on Second Homes in France

While the abolishment of the *taxe d'habitation* is good news for those who have moved or retired to France, it's not so good news for second-home owners. Despite the reforms, the **taxe d'habitation still applies for owners of second homes**, which includes foreign residents who own a second home in France. Since the reform, the commune can add additional charges to this tax or may even be able to charge the vacant property tax (*taxe sur les logements vacants*) if your second home is located in a 'zone tendue', an area where there is a known housing shortage. The idea being to discourage second-home owners from keeping a property empty in these zones.

*Taxe d'habitation* rates can also vary hugely throughout the country, especially in the zones tendues. When purchasing a property ask your estate agent about *taxe d'habitation* rates or enquire at your local tax office. You can find a full list of the zones tendues [here](#).

**IMPORTANT:** In light of the various changes that have taken place in the past couple of years, the *taxe foncière* has increased dramatically and is set to do so again in the coming years, as the local communes are struggling with the loss of the *taxe d'habitation*. Unfortunately, this increase only applies to owners and not to tenants, and the *taxe foncière* is not a tax you can pass on to your tenant.



## | Online Property Declaration of Occupation

Since June 2023, it is now an obligation to complete (and then keep up-to-date with any change in situation) a declaration related to the occupation of your French property. This is accessible via your online tax account under the heading '*gérer vos biens immobiliers*' and includes information relating to the ownership and use of the property, broken down into the main habitation, any annexes (such as garages, external barns or storage areas, etc) and facilities such as swimming pool.

From 2024, you cannot validate your online income tax return (see notes later) without having ticked a box to inform the authorities whether or not there have been any changes relating to the 'occupation' of your French property; and if you tick YES, you will have to go and complete the declaration before being able to file your income tax return.

Why is this declaration important? Well, it's the new way for the French tax authorities to work out which of the property taxes you are liable for, and also to see whether or not you should be filing an income tax return in the event you also earn an income from renting the property.

## | How to Pay Property Taxes on Your French Home

Demands for both taxes are sent annually or made available online via the tax portal [www.impots.gouv.fr](http://www.impots.gouv.fr) (this depends on whether you've selected the 'online only' or paper option on your account - see below), and the

bills or *avis d'impôt* are usually sent out in September (*taxe foncière*) and October (*taxe d'habitation*) each year. The amount must be paid by a specified date, usually by 15th October (*taxe foncière*) and by 15th December (*taxe*

*d'habitation*). Failure to pay on time incurs a 10% penalty.

Payments can be made by cheque\*, bank transfer or online, and the deadline is usually a few weeks later for online payments.

\*It should be noted that the French tax authorities no longer accept payments by cheque for any amounts of less than €300 and you are obliged to use one of the other methods of payment in this case.

Will I be sent a tax bill?

Note that if you've selected the '*zéro papier*' option for your tax bills, you will not be sent your tax bill. It will be your responsibility to log into your account and pay your bill. Email reminders are typically sent out, but they have been known to get lost. Not having received an email is not an acceptable excuse for not paying your tax bill, so it's a good idea to put these dates in your diary. You can check which option is selected by logging into your account and going

to '*mon profil*'. Under '*mes options*' and '*mes options de dématérialisation*', you can see whether you have activated the '*zéro papier*' (i.e. online only) option for your *avis d'impôt sur le revenu* (income tax return) and *avis d'impôts locaux* (local/property taxes).

You can also arrange to pay your local taxes by monthly direct debit, to avoid the above issues with forgetting to download your annual bill. This can be arranged via your account on the online tax office portal indicated above, and you can choose the option of '*prélèvement mensuel*' or a one-off annual direct debit '*prélèvement à l'échéance*'. Please note that this is something you have to arrange in advance, so if you arrange this part-way through the tax year, it can only be applied from the following year's tax bill.

**Although also related to property, please refer to separate sections about wealth tax and capital gains tax later in this guide.**



---

# Taxation of Income in France

*\*UPDATED FOR 2025\**

---

- » Who needs to file a tax return in France?
- » Do you need to pay income tax?
- » French income tax - how much will you have to pay?
- » What is the French PAYE (PAS) system?
- » Paying Tax on Your UK or Overseas Pension in France

# Taxation of Income in France



You've probably heard rumours about the French tax system being one of the most complicated—and expensive—in Europe. It's true that overall rates of taxation tend to be on the higher side, but when it comes to income tax, you might be surprised by how low rates can be, especially for families of average means. Here's what you need to know about French income tax.



## Who needs to file a French tax return?

All legal residents in France are required to file an annual tax return, regardless of whether or not you are employed or receive income in France, or whether or not you have any tax liabilities. You may also need to file a tax return as a non-resident if you have French rental or professional income.

Even if you pay tax via the PAYE system (see details below), you are still obliged to file a personal tax return. However, many employees and pensioners in France have now moved onto 'automatic tax declarations', which work similarly to the system in the UK and other countries. Essentially this means that you don't need to prepare your own tax return; your tax declaration will be automatically filled in, and you simply need to check the figures, and validate your return, to declare that the information is correct. Where you have income outside of French salary, unemployment or pension income, you will need to declare your additional income, and also add details of any tax reductions or tax credits you may be entitled to.

## | Do you need to pay French income tax?

An important question to ask is whether or not you are liable to pay income taxes in France. If you are legally resident in France, you must declare your global income on your annual French tax return, and you will be liable for French income tax on your earnings.

However, there are certain situations in which non-residents may also be liable for French income tax or occasions where French residents may pay their income tax in a foreign country depending upon the double-tax treaty between those countries.

## | French income tax: what do you need to know?

For French residents, French income tax is levied on your global income, including earnings from employment, business ventures, or self-employment, as well as income from investments, savings interest, pensions, and property rentals. Before we look at French tax rates and allowances, there are a few things that you need to understand about how French income taxes are calculated.

### Fiscal Household

In France, income tax is calculated based on your 'fiscal household' or *foyer fiscal*, not for each individual taxpayer as in many countries. This means that if you are married or in a PACS civil partnership, you will file a joint tax return. Taxes are calculated based on the total income of your 'fiscal household' (i.e. you and your partner's income combined) and your '*quotient familial*' (i.e. the total number of family members that make up your household).

Put very simply, a family with dependent children will pay less tax than an individual or married couple with no children with the same income. If you are single, separated or divorced, your fiscal

household will be made up of yourself and any dependent children who live with you.

### What is a Quotient Familial?

Not only do couples file a combined tax return in France, but allowances are also made for the number of family members that make up your household. This number is known as the 'quotient familial', and it is designated as a number of 'parts', with tax liabilities assessed on each 'part'.

### How many 'parts' is your taxable household made up of?

Here's how the 'parts' are calculated to make up your 'quotient familial'.

- » A single person would be 1 part.
- » A couple with no children would be 2 parts.
- » A couple with one dependent child would be 2.5 parts (the first child counts as a 'half part').
- » A couple with two dependent children would be 3 parts (the first and second

child each count as a 'half part').

- » A couple with three or more dependent children would be 4 parts or more depending upon the number of children (the first and second child each count as a 'half part'; the 3rd child and any additional children each count as a full part).

The children of a single, divorced, or widowed individual also count towards

the quotient familial. For example, a single person with one child would count as 1.5 parts. In the case of a separation with joint custody, the 'parts' awarded for any children may be shared between both households.

An additional half part is granted for any dependant holding a disability card.

How much tax will your household pay in France?

### French income tax: how much will you have to pay?

Now that we've established the basics of the French income tax system, let's take a look at the applicable French tax rates and tax-free allowances. France's barème de l'impôt sur le revenu (income tax scale), also known as 'barème progressif' for the year is announced at the end of the year, and the tranches du barème (tax bands) are generally calculated in accordance with annual inflation rates.

So, for example, the 2024 income tax rates were announced at the end of 2023 and will be applied to your 2024 tax return (tax on your 2023 income).

### France's progressive scale of income tax

Using the example of the current progressive scale, the amount of income tax levied on your 2024 income (declared on your 2025 tax return) ranges from 0% to 45%, and is calculated based on the following tax bands per household part.

| Band of value       | Rate of tax |
|---------------------|-------------|
| Up to €11,497       | 0%          |
| €11,498 to €29,315  | 11%         |
| €29,316 to €83,823  | 30%         |
| €83,824 to €180,294 | 41%         |
| More than €180,294  | 45%         |

The following example is taken from the French government website [www.impots.gouv.fr](http://www.impots.gouv.fr) in 202.

For a single person (1 part) whose taxable net annual income is €30,000, the calculation of their tax is as follows:

| Band of value                                                            | Tax    |
|--------------------------------------------------------------------------|--------|
| Up to €11,497                                                            | €0     |
| €11,498 to €29,315                                                       | €1,960 |
| €29,316 to €83,823                                                       | €206   |
| Total amount of tax: €2,246, or <u>7.49% of their net taxable income</u> |        |

## How much tax will your household pay in France?

So, how is income tax calculated based on your quotient familial? Essentially, the combined taxable income for the household (for example, the combined total of your and your partner's income) will be divided by your quotient familial. The tax owed on each share will be calculated and added together to obtain the amount of tax due. Generally speaking, a family with multiple dependent children will have lower income tax liabilities.

### Married or PACSed couple with three young children

You both have salaries of €50,000, meaning a total combined annual income of €100,000.

This is divided by your quotient familial, which is 4:  
 $€100,000 / 4 = €25,000$

The tax-free allowance on each part is €11,497, on which you will be subject to 0% tax.

$€25,000 - €11,497 =$  which leaves €13,503 to be taxed on each part. This amount falls within the second tax band, so it is taxed at 11% or €1,485 per part.

$€1485 \times 4 =$  **€5,840, which is the total amount of tax due.**

*It should be noted that the allowance per 1/2 part is capped (for 2024 at 1,791€), so where the household revenue is a lot higher, it is not quite as simple as dividing the income by the quotient familial; there is an additional calculation made by the tax office to cap the overall allowance applied. However, the above example gives you a fairly good idea of the amount of French income tax due.*

### Couple without children

You both have salaries of €50,000, meaning a total combined annual income of €100,000.

This is divided by your quotient familial, which is 2:  
 $€100,000 / 2 = €50,000$

The tax-free allowance on each part is €11,497, on which you will be subject to 0% tax.

$€50,000 - €11,497 =$  which leaves €38,503 to be taxed on each part.  
 The first €17,818 falls within the second tax band, so it is taxed at 11% or €1,960 per part  
 The remaining €20,685 falls within the second tax band, so it is taxed at 30% or €6,206 per part.

$€1,960 + €6,206 =$  **€8,166 x 2 = €16,332 (which is the total amount of tax due).**

*For a couple where one partner earns a higher salary, or one partner does not work, there are potentially also tax advantages for the higher-earning partner, even if the couple does not have children.*

*\*Please note that the above are theoretical examples only, and there may be other factors that come into play when calculating your household income tax bill.*

**Remember:** It is your responsibility to inform the French tax authorities of any changes in your fiscal household. You should report any changes to the tax office (this can be done online via your tax account) within 60 days in the event of a marriage, PACS, divorce, the birth or adoption of a child, or the death of a spouse or dependant. Any withholding tax will be immediately adjusted, but you must also reconfirm these changes when filing your tax return the following year.

Some pointers to note about certain main categories of income are:

- » A 10% tax-free allowance is applied to the **net taxable salary** before the calculation of the above taxation (this allowance is capped at just over 14,000€ per person);
- » A 10% tax-free allowance is applied to the **gross pension** declared (this allowance is capped at just under 4,400€ per household);
- » Income as an **auto-entrepreneur** is taxed on the fixed net profit according to category of income, but it is the gross income that must be declared;
- » Profit (or loss) from **professional activities using the Réel system** of financial accounts is declared under various categories and taxed on the sliding scale;
- » **Rental income** from France is declared according to the category of income (unfurnished, short-term furnished, self-catered or furnished with hotel services) and tax regime (Micro or Réel) and if using a Micro

regime, different tax-free allowances will be applied according to various criteria.

- » **Investment income** (interests, dividends, capital gains, withdrawals from Assurance-Vie and long-term bonds) is generally taxed at a flat rate of 30% rather than on the above progressive scale; however, you can opt for the progressive scale calculation if your average tax rate is less once the various tax-free allowances have been applied to the investment income.

Please also note that, in the event you are a **high income earner**, a supplementary income tax known as 'contribution exceptionnelle sur les hauts revenus', is applied to income in excess of 250,000€ for a single person or 500,000€ for a married or paced couple (ranging from 3-4% of that excess amount). From 2025, there will also be an additional 'differential' high income contribution which has an exceptionally complex method of calculation, but will only apply to those who already fit into the high income earner category.



## | What is the PAYE (PAS) system in France?

Since January 1st, 2019, all income taxes on French-earned employment income and replacement income (unemployment or pensions) is subject to a withholding tax system. This Pay As You Earn (PAYE) or 'prélèvement à la source' (PAS) system means that all employment income is now taxed at source.

This system works in a similar way to many other countries that also implement a PAYE or tax at source system, such as the UK, United States, and other EU countries, whereby both income taxes and social contributions are deducted from your wages before you are paid. Prior to this date, social contributions were deducted from income at source, but income tax was paid in monthly or quarterly instalments the following year after filing your annual tax return.

In addition, there is an upfront payment on account for foreign-earned income taxable in France, and French self-employed income and rental income. These payments cannot be deducted at source but the upfront payment towards income tax is calculated by the tax office using the previous known income.

### Income subject to the French PAYE (PAS) system

The PAYE system in France applies to the following:

#### 1) Taxed at source:

- ° French employment income/salaries
- ° French taxable state benefits (e.g. sickness and unemployment benefits)
- ° French pensions and other taxable retirement income (such as lifetime annuities)

#### 2) Tax payment made on account:

- ° French rental income
- ° Non-French income taxable in France (including foreign pensions paid to French residents)
- ° Business profits
- ° Other self-employed income

However, it does not apply to:

- ° investment income\*
- ° capital gains\*
- ° non-French income subject to French tax credits under the double-tax treaty (for example, a French resident receiving income from a rental property in the UK or the States, or receiving a UK government pension, or US pensions and social security benefits)

\*Note that this doesn't mean that there are no tax implications for this income, but it will not be taxed at source - you must still declare all income on your annual tax return and may be subject to tax.

## Understanding PAYE in France: How Much Tax Will I Pay?

Your tax rate will be based on your fiscal household, the applicable French tax rates and tax-free allowance. You can see estimates of your current tax liabilities and amend your tax situation (for example, if your salary is set to increase or decrease, you marry or divorce, or have a child) via your online tax account at [impots.gouv.fr](https://impots.gouv.fr).

Click on your '*Espace Particulier*' and '*Gérer mon prélèvement à la source*' (manage my PAYE) where you can '*Signaler un changement*' (inform the tax office of a change of situation) or update your salary. If you don't inform the tax office of these changes, the tax rate used on your previous tax return will apply.

## How are the taxes deducted under the PAYE system?

If you are employed in France, your in-

come tax and social contributions will be deducted from your wage each month before you are paid. A full breakdown of all the taxes and social contributions will be shown on your payslip, along with your gross (*brut*) and net (*net*) earnings. The payslip below shows an example of what this might look like - the *Cotisations et Contributions Sociales* at the top are your social security contributions, while the '*impôt sur le revenu prélevé*' is the amount of income tax deducted from your salary. '*Le montant du salaire net imposable*' is the amount of taxable income (after social security contributions) that you will declare on your income tax return.

For rental income, income from foreign sources, and other income that falls under the PAYE system, your upfront tax payment will be deducted monthly (or sometimes quarterly, depending on your individual situation) from your bank account based on the previous known income.

| Cotisations et contributions sociales                                                                 |  | Base        | Taux salarial | Part salarié   | Part employeur      |
|-------------------------------------------------------------------------------------------------------|--|-------------|---------------|----------------|---------------------|
| <b>SANTÉ</b>                                                                                          |  |             |               |                |                     |
| Sécurité Sociale - Maladie Maternité Invalidité Décès                                                 |  | Valeur      | Valeur        | Valeur         | Valeur              |
| Complémentaire Santé                                                                                  |  | Valeur      | Valeur        | Valeur         | Valeur              |
| Complémentaire Incapacité Invalidité Décès                                                            |  | Valeur      | Valeur        | Valeur         | Valeur              |
| <b>ACCIDENTS DU TRAVAIL-MALADIES PROFESSIONNELLES</b>                                                 |  | Valeur      |               |                | Valeur              |
| <b>RETRAITE</b>                                                                                       |  |             |               |                |                     |
| Sécurité Sociale plafonnée                                                                            |  | Valeur      | Valeur        | Valeur         | Valeur              |
| Sécurité Sociale déplafonnée                                                                          |  | Valeur      | Valeur        | Valeur         | Valeur              |
| Complémentaire Tranche 1                                                                              |  | Valeur      | Valeur        | Valeur         | Valeur              |
| Complémentaire Tranche 2                                                                              |  | Valeur      | Valeur        | Valeur         | Valeur              |
| Supplémentaire                                                                                        |  | Valeur      | Valeur        | Valeur         | Valeur              |
| <b>FAMILLE</b>                                                                                        |  | Valeur      |               |                | Valeur              |
| <b>ASSURANCE CHÔMAGE</b>                                                                              |  | Valeur      | Valeur        | Valeur         | Valeur              |
| Apec                                                                                                  |  | Valeur      | Valeur        | Valeur         | Valeur              |
| <b>AUTRES CONTRIBUTIONS DUES PAR L'EMPLOYEUR</b>                                                      |  |             |               |                | Valeur              |
| <b>COTISATIONS STATUTAIRES OU PRÉVUES PAR LA CONVENTION COLLECTIVE</b>                                |  |             |               | Valeur         | Valeur              |
| CSG déductible de l'impôt sur le revenu                                                               |  | Valeur      | Valeur        | Valeur         | Valeur              |
| CSG/CROIS non déductible de l'impôt sur le revenu                                                     |  | Valeur      | Valeur        | Valeur         | Valeur              |
| <b>EXONÉRATIONS, ÉCRETEMENTS ET ALLÈGEMENT DE COTISATIONS</b>                                         |  |             |               | Valeur         | Valeur              |
| <b>TOTAL DES COTISATIONS ET CONTRIBUTIONS</b>                                                         |  |             |               | Valeur         | Valeur              |
| <b>NET A PAYER AVANT IMPOT SUR LE REVENU</b>                                                          |  |             |               |                | Valeur              |
| dont évolution de la rémunération liée à la suppression des cotisations salariales chômage et maladie |  |             |               |                | Valeur              |
| <b>Impôt sur le revenu</b>                                                                            |  | <b>Base</b> | <b>Taux</b>   | <b>Montant</b> | <b>Cumul annuel</b> |
| Montant net imposable                                                                                 |  |             |               | Valeur         | Valeur              |
| Impôt sur le revenu prélevé à la source                                                               |  | Valeur      | Valeur        | Valeur         | Valeur              |
| Montant net des heures compl./suppl. exonérées                                                        |  |             |               | Valeur         | Valeur              |
| <b>NET A PAYER AU SALAIRE</b>                                                                         |  | (EN EUROS)  |               |                | Valeur              |
| <b>ALLÈGEMENT DE COTISATIONS EMPLOYEUR</b>                                                            |  | (EN EUROS)  |               |                | Valeur              |
| <b>TOTAL VERSÉ PAR L'EMPLOYEUR</b>                                                                    |  | (EN EUROS)  |               |                | Valeur              |

## What happens if I'm taxed too much/too little?

PAYE rates are only an estimation of the tax you owe; the exact amount will be calculated when you file your annual tax declaration in May (or sign off on your automatic tax declaration where applicable). If your situation changes during the financial year or you benefit from reductions or tax credits, you may find that you are charged too much or too little income tax throughout the year. This is one reason why it's essential to inform the tax office of any changes to your personal situation as soon as possible.

In these instances, you may find that you are entitled to a tax rebate or that you have outstanding taxes to pay.

Outstanding payments or refunds will be automatically deducted from or credited to your bank account either as one lump-sum payment or (in the event of outstanding payments over €300) as staggered quarterly payments through-

out the remainder of the current tax year.

## Upfront Income Taxes for Businesses and Self-Employed Workers

It's important to note that different tax rules may apply to businesses and self-employed workers. For example, those under the auto-entrepreneur scheme may have paid tax on a quarterly basis and are not taxed again via the tax return.

For other self-employed workers, or for those with rental income in France, you will have to pay upfront stage payments towards your tax, based on the previous year's tax bill.

The obligation or not for upfront stage payments will depend on several criteria and we would suggest you take advice from an accountant or tax specialist to know where you stand in your particular circumstances.

---

## | Paying tax on your UK or overseas pension in France

According to the various tax treaties, in most cases, private pensions and most countries' state pensions, are taxable in France. Once you have informed the tax services of your change of residency in the country where you were previously resident, you should be able to obtain tax relief at source on those pensions. However, in most case, government service pensions, such as civil service, military, police and teachers' pensions, remain taxable in the UK (and most other countries where there is a double tax treaty). All pensions still have to be declared, along with all other worldwide income, on your personal tax return in France, but for the UK government services pensions, a tax credit is applied to cancel out the French tax that would have been due in the case these pensions were French-earned pensions.

For those with pensions from the States, all pensions, whether occupational, government service or social security payments (similar to the UK state pension), are all eligible for a tax credit in the same way as above.

If you are coming to France from another country, please make sure you check the double tax treaty, or even whether one exists, to know how your pensions would be taxed. If there is no double tax treaty, all income from the country of origin would

be taxed in France, whatever its nature!

As the French government cannot deduct tax on the PAYE (PAS) system from overseas pensions, an upfront direct debit towards tax is taken on a monthly basis by the tax authorities, in the same way as for self-employed workers and for rental income in France (as indicated above).

**Please also refer to the chapter Understanding French Social Contributions to see the rules relating to additional social taxes applied to foreign income when you have an obligatory French health insurance.**

---

# Your French Tax Return

---

- » When do you need to file your tax return?
- » How to get a French numéro fiscal & open your online tax account
- » Impots.gouv.fr: your guide to the French tax website
- » Filling in your French tax return: The BASICS (Step-by-Step)
- » Understanding your tax bill
  - ° What is the Revenu Fiscal de Référence (RFR)?
- » French Tax FAQs
  - ° What if I file my tax return late?
  - ° What if I've made a mistake & need to amend my tax return?
  - ° What are the penalties for late filing?
- » Where & how to get help filling in your French tax return

# Your French Tax Return



In France, every resident over the age of 18 must file an annual tax return. This is a legal requirement, and it is your responsibility to declare all of your global earnings.

## When do you need to file your French tax return?

In France, the tax year runs from January 1st to December 31st, and you will declare your previous year's earnings in April-June of the following year. So, in 2024, for example, you will declare your global income from 2023. Tax returns can be submitted from mid-April each year, and the final deadlines are due in late May or early June, depending on which French département you live in. This means you have around 6-8 weeks to file your return - much less than some countries, such as the UK, which allows almost six months.

As a non-resident, you have to file your return in May. All new taxpayers, resident or non-resident, are obliged to

file their first tax return by post, at the earliest date, usually around mid-May. Once you are known to the tax authorities, your annual declaration can be made online via the French tax portal and you can save and amend your declaration before deciding to submit it. Tax claims and requests for tax refunds or rebates can also be made online. The process is slightly different when you fill out your first tax return and there



are certain additions you may need to include if you have foreign savings, investments or income to declare. All resident taxpayers must also declare all foreign (non-French) bank accounts, long-term bonds or endowment policies (assimilated to French assurance-vie) and any crypto currency accounts. These have to be updated each year.

The French Tax Authorities have some English-language information available on their website.

For information, where you are liable for wealth tax, there is an annex declaration to complete as part of your income tax return, or a separate wealth tax return for residents without income.

### |How to get a French numéro fiscal & open your online tax

The best way to communicate with the French tax authorities is via your own online account (Espace Particulier) via the government tax website: [www.impots.gouv.fr](http://www.impots.gouv.fr)

However, before you have filed your first income tax return in France, you are not necessarily attributed your French tax identification number, or 'numéro fiscal'. This is why you have to file your first tax return by post, wait for the tax bill to arrive with your 'numéro fiscal' (where you are a married couple or in a civil partnership, you would EACH have a tax identification number), and then you can set up your online tax account in order to file the following year's tax return online.

It is possible, though, to get an Espace Particulier set up as a non-resident without any income in France. You have to send a message to the special identification centre at the non-residents' tax office in Noisy-le-Grand (**dinr.servicesenligne@dgif.finances.gouv.fr**), with a copy of your passport, proof of address (recent utility bill) and fiscal reference from your taxe foncière bill, requesting access codes to set up the Espace Particulier.

This will enable you to receive all your local tax bills online, file your declaration of occupation related to the property you own online, and send any requests via your online account to the tax office.

It may be possible to do the same thing if you become French resident, but you would then need to contact your local tax office, and it appears you can only apply by post or by going into your local tax office. You can find the contact details via the tax office website indicated above:

- [www.impots.gouv.fr](http://www.impots.gouv.fr)
- Select 'Contact et RDV' in the GREY box in the top right-hand corner
- Select Particulier (individual)
- La gestion de vos impôts (déclarer, payer, contester)
- Prendre rendez-vous (sur place, par téléphone ou en visio)
- Pour toute autre question sur vos impôts
- Complete your address with number and road name (or lieudit), postcode and town name and click on RECHERCHER VOTRE SERVICE

This will bring up the address, telephone number and opening hours of your local tax office, to whom you then need to write or make an appointment to visit with the same supporting documents as above.

## **|Impots.gouv.fr: your guide to the French tax**

The tax office website is useful for many tax-related questions and actions, including:

- » Paying your tax bills (and fines!)
- » Consulting double tax treaties (in French)
- » Researching certain tax-related subject with the search bar
- » Accessing your own tax office account in order to:
  - ° file and correct your personal tax returns
  - ° download your tax bills
  - ° file tax claims
  - ° declare or update the occupation of your French property
  - ° exchange with the tax office via your Messagerie

This year (2025) the tax office interface has changed and you now come onto a page with latest news, before being able to choose to go onto the personal or professional space, and instead of nice clear boxes for each main subject, there is a menu across the top of this initial page.

There is even a proportion of the tax office website ‘roughly translated’ into English - using the button ENGLISH next to ‘INTERNATIONAL’ on the menu bar. We have used the words ‘roughly translated’ as the English version does appear to be a literal translation, which is sometimes not 100% perfect. Any queries you may have on anything relatively complex or for which you are not sure of the details you have read in English (or in French), we would advise you to check with a French tax specialist, accountant or fiscal lawyer.

The impots.gouv.fr website is relatively user-friendly. Once you click on “Particulier” you have icons to help you choose certain online services OR you can access your own “Espace” and carry out various steps or procedures via your individual account. If you scroll down on the Particulier page, there are boxes with icons and wording to assist you with your particular situation, such as:

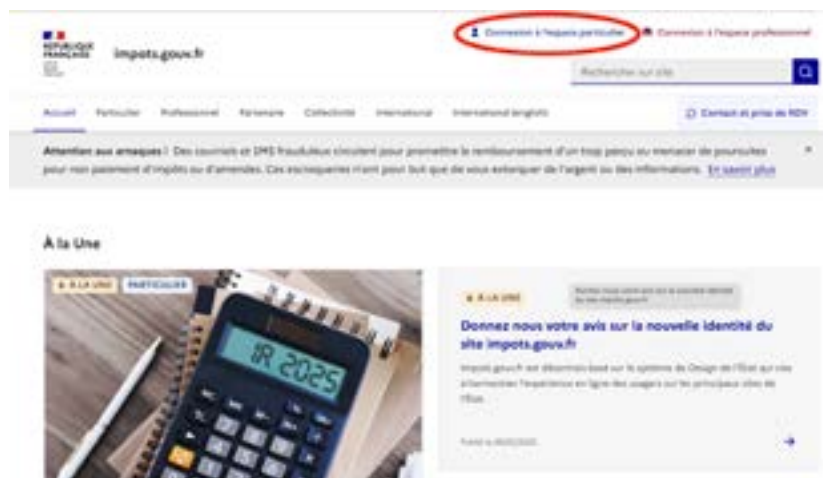
- **Déclarer mes revenus** (declare my income)
- **Payer mes impôts, taxes, amendes...(pay my taxes and fines)**
- **Gérer mon patrimoine/mon logement** (Manage my estate/my accommodation)
- **Prévenir et résoudre mes difficultés ; corriger mes erreurs** (Inform about and resolve my difficulties ; correct my mistakes)

And of course, accessing your online accounts = Espace Particulier (if you are not a professional and either only own property in France, or you earn an income from property, or you are resident and earn worldwide revenue even if you do not own your home) and the Espace Professionnel (in the case you run a French business, or French furnished rental activity).

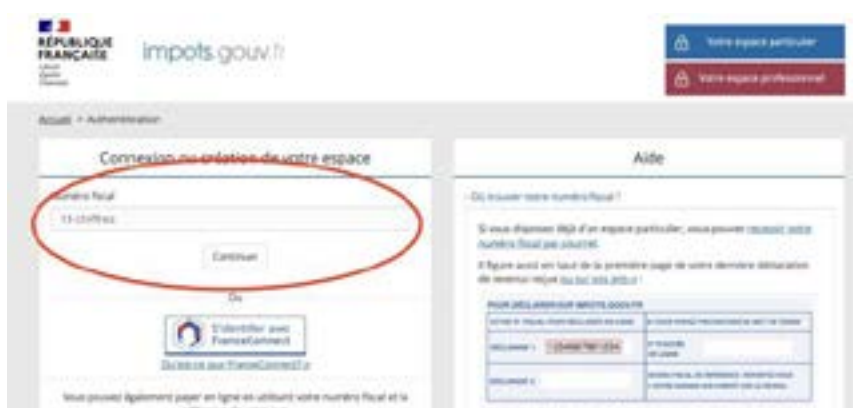
To access your personal tax account online, you once again connect to the tax office site:

» [www.impots.gouv.fr](http://www.impots.gouv.fr)

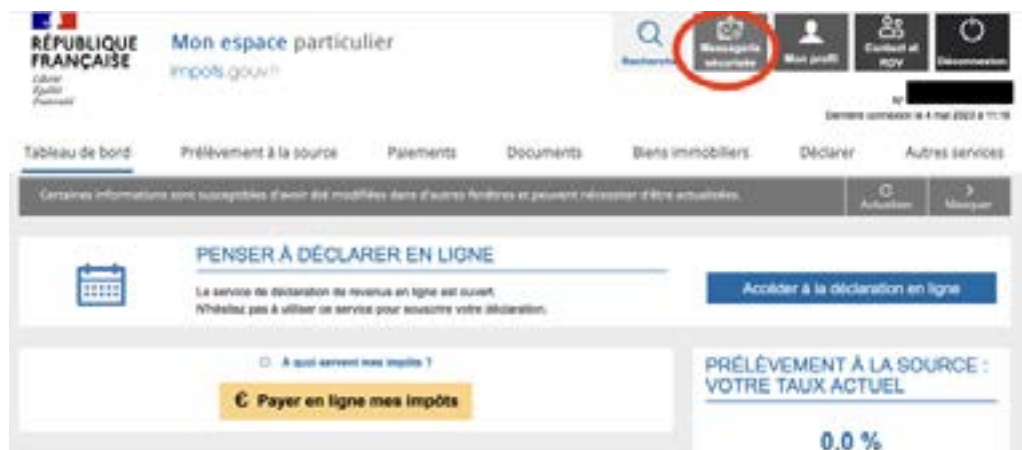
» Select “Connexion à l’espace particulier” in the top right-hand corner”



» Complete your 13-digit numéro fiscal and click on ‘Continuer’



- » Input your individual password and click on 'Connexion'
- » This opens up your 'Tableau de bord' where you will find all the latest documents related to your account, and from which you can access:
  - ° your Messagerie sécurisée to exchange with the tax services
  - ° your profile 'Mon profil', where you can update your personal details, change your access password, update your address, and choose your options for paperless tax bills, or opt to receive them by post if you prefer, and to choose your preferred method of exchange with the tax authorities (email = 'courriel' or text = 'SMS')
  - ° you can make an appointment with your relevant local tax services



To access your personal tax account online, you once again connect to the tax office site:

- » [www.impots.gouv.fr](http://www.impots.gouv.fr)
- » Select Connexion à l'espace professionnel in RED in the top right-hand corner
- » Complete your 13-digit numéro fiscal and click on 'Continuer'
- » Input your individual password and click on 'Connexion'
- » This opens up your 'Tableau de bord' where you will find all the latest documents related to your account, and from which you can access:
  - ° your Messagerie sécurisée to exchange with the tax services
  - ° your profile 'Mon profil', where you can update your personal details, change your access password, update your address, and choose your options for paperless tax bills, or opt to receive them by post if you prefer, and to choose your preferred method of exchange with the tax authorities (email = 'courriel' or text = 'SMS')



- you can make an appointment with your relevant local tax services
- » You then have sections related to:
  - **Prélèvement à la source** (= PAS, the direct debit upfront tax payments) and managing any changing or consulting your situation or historical payments
  - **Paiements** (where you can find any bills that need paying and pay them online)
  - documents (where you can access tax bills from previous years)
  - **Biens immobiliers** (which relates to your 'real estate' and which is where you will find the Declaration of occupation mentioned earlier in this guide)
  - **Déclarer** (which is where you can access your online tax return once the tax period is open in April each year)
  - **Autres services** (where you can look up real estate sales if you need to estimate the value of your property for wealth tax purposes, or buy fiscal stamps often needed to pay for services at the Préfecture, for example, or carry out simulations - although please note this doesn't usually deal with complex foreign income)

To access your professional tax account, you once again connect to the tax office site:

- » [www.impots.gouv.fr](http://www.impots.gouv.fr)
- » Select 'Votre espace professionnel' RED box in the top right-hand corner
- » Input your professional email address and password and click on 'Connexion'

The professional tax account is very different to the personal one, but for small businesses (and furnished rental landlords), will enable you to download and pay your CFE tax (similar to business rates), and - where relevant - complete and file VAT returns, and company tax returns.

If this is relevant to you, we suggest you get more advice from your accountant or tax advisor assisting you with your business.

## Filling in your French tax return: the BASICS (step-by-step)

Although we are giving you some basic guidelines below to completing your online tax return, we must stress that each household's tax return is individual and we are not able to show you exactly how you need to declare your income but giving you the main pointers and principal categories of income and where to find them on the tax office website under 'Déclarer'. The example we have used is for a micro-entrepreneur (sole trader with a simplified tax status), and therefore some pre-printed details may not match the sections you would need personally.

Please also note that this section of your Espace Particulier is only available during the tax return filing period, and that the tax law changes each year, so there may be some minor changes to these guidelines in future years.

### Start your 2025 tax declaration - 'Déclaration des revenus'

#### Step 1 / Étape 1

The first few pages of your online tax return will ask you to confirm your basic personal information, including your name, address, and date of birth. This is also the moment to declare any change of status, such as a marriage/PACS, divorce, or a death if you haven't already. Be sure to verify that all the information is correct before you move on.

#### Step 2 / Étape 2

The '*déclaration par un mandataire ou un tiers de confiance*' is for those filling in the tax return on behalf of someone else.

The '*renseignements personnels*' section concerns your [fiscal household](#) - this is where you will declare the birth of a child or any children under your charge, as well as your 'situation familiale' (whether you are single, married, PACSed, etc)



## Declaring professional income, rental income, pensions, and bank accounts

### Step 3 / Étape 3

The '*Revenus et charges*' section is the bulk of the tax return and is where you will enter information regarding both your French and worldwide income, whether from work, pensions, property rentals, investments, or other.

#### Rubriques & annexes

First up, you will be asked to select the '*rubriques*' required - these are the different sections of income declaration, e.g. *traitements et salaires* (wages and salaries), *pension de retraite* (pension income) or *micro-entreprise* (professional micro-entrepreneur activity), other self-employed income categories.

There are also several '*annexe*' forms (ancillary forms) that you may need to include in your tax return. The options online will often be customised to you and your past tax declarations, so if you do need an additional annexe, you might need to search for it - use the search box and enter either the name of the form or a related word (in French).

Here are some of the most common required by expats and property owners in France:

**2042K** - is for declaring your French salary

**2042C PRO** is for declaring income as a *micro-entrepreneur* and for furnished property rentals.

**2042C** is for declaring capital gains and various tax allowances (highlighting the eligibility for the reduced solidarity tax on asset income, for example). **2042-IFI** is for declaring French wealth tax.

**2047** is for declaring income from foreign sources, including UK government pension and rental income where tax has already been paid in the UK, and all foreign investment income.

**2044** is for declaring income from unfurnished property rentals under the *réel* system (including those from abroad).

**3916-3916-BIS** is for declaring overseas bank accounts and life insurance policies

**2086** is for declaring crypto-currency income

## Declaring your income

Once you've selected the forms you need, you will then move through several pages of forms, where you will be asked to declare all your different income sources, relevant charges and deductions, and 'divers' (miscellaneous) revenue sources. Remember that you should be declaring all worldwide income on your French tax form, so if there's something you know you have missed, make sure to search for the relevant form.

**Déclarations annexes**

Pour éviter un oubli, les déclarations annexes que vous avez remplies l'année dernière ont été précochées. Merci de valider ou décocher la sélection.

|                                     |                                                                                                                                                                                                                                    |                    |
|-------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| <input type="checkbox"/>            | Déclaration des revenus fonciers 2022                                                                                                                                                                                              | N° 2044            |
| <input type="checkbox"/>            | Déclaration spéciale des revenus fonciers 2022                                                                                                                                                                                     | N° 2044 Spéciale   |
| <input type="checkbox"/>            | Déclaration d'engagement de location - Statut du bailleur privé                                                                                                                                                                    | N° 2044 EB         |
| <input type="checkbox"/>            | Déclaration complémentaire spécifique annuelle - Pinel Bretagne                                                                                                                                                                    | N° 2041PB          |
| <input checked="" type="checkbox"/> | Déclaration des revenus 2022 encaissés à l'étranger par un contribuable domicilié en France (y compris la fiche d'aide au calcul du salaire suisse net imposable n° 2047 suisse)                                                   | N° 2047            |
| <input type="checkbox"/>            | Déclaration des plus ou moins-values réalisées en 2022<br>Si vous êtes dispensé(e) de déposer d'une déclaration de plus ou moins-values (consultez les cas de dispense en cliquant ici), ne cochez rien et cliquez sur « Valider » | N° 2074            |
| <input type="checkbox"/>            | Déclaration des plus-values en report d'imposition en 2022                                                                                                                                                                         | N° 2074 I          |
| <input type="checkbox"/>            | Déclaration des plus-values réalisées en 2022 : Fiche de calcul de l'abattement pour durée de détention                                                                                                                            | N° 2074 ABT        |
| <input type="checkbox"/>            | Déclaration des plus ou moins-values de cession de titres réalisées en 2022 par des dirigeants de PME européennes en vue de leur départ en retraite                                                                                | N° 2074 DIR        |
| <input type="checkbox"/>            | Déclaration de certaines plus ou moins-values de cession de titres réalisées en 2022 par les impatriés                                                                                                                             | N° 2074 IMP        |
| <input type="checkbox"/>            | Déclaration d'imputation entre plus-values et moins-values                                                                                                                                                                         | N° 2074 CMV        |
| <input type="checkbox"/>            | Déclaration des revenus 2022 (départ à l'étranger ou retour en France)                                                                                                                                                             | N° 2042 NR         |
| <input type="checkbox"/>            | Déclaration de retenue à la source - année 2022                                                                                                                                                                                    | N° 2041 E          |
| <input checked="" type="checkbox"/> | Déclaration par un résident d'un compte ouvert, détenu, utilisé ou clos à l'étranger (compte bancaire ou compte d'actifs numériques) ou d'un contrat de capitalisation ou placement de même nature souscrit hors de France         | N° 3916 - 3916 bis |
| <input type="checkbox"/>            | Déclaration des investissements réalisés en 2022 dans un département ou une collectivité d'outre-mer                                                                                                                               | N° 2083 PART       |
| <input type="checkbox"/>            | Déclaration des plus ou moins-values suite à cessions d'actifs numériques                                                                                                                                                          | N° 2086            |
| <input type="checkbox"/>            | Déclaration de contrat de prêt (intermédiaire, emprunteur ou prêteur)                                                                                                                                                              | N° 2062            |

**Annuler** **Valider**

You will need to complete and validate each of the annex tax forms before you come back to the 2042 main form to validate it. Some of the boxes on the annexes are automatically carried forward (seen as A REPORTER or REPORTE) at the end of each annex, which means that you should check the 2042 last, and make sure you haven't input the same information manually - as this will double the amount declared!

## Declaring foreign bank accounts on your French tax return

If you have foreign bank accounts to declare, make sure you also check the box '8UU' under 'Divers'. You will then be prompted to enter the number of accounts and fill in a separate form for each account. You'll be asked for the account number, bank address, the date of opening and closing (if relevant) of the account. The boxes marked with an \* are essential, so don't leave any blank spaces - if you don't know the exact opening date of the account, do your best to estimate the year that it was opened - you won't be required to provide proof of this.

If you've forgotten to declare an account in previous years, it's imperative to declare it as soon as possible - fines are more-often-than-not waived when individuals come forward of their own account. If you are worried that you haven't declared it on previous forms, the best course of action is to send a message to the tax office or add a note to your declaration stating this mistake and asking them to please update the information accordingly (more on this below).

Selection des rubriques de la déclaration de revenus et annexes

Déclaration de revenus

Année n°2018 - 2018 bis

Étape 1  
Étapes précédentes

Étape 2  
Remplir vos revenus

Étape 3  
Revenus et charges

Étape 4  
Résumé et signature

Étape 5  
Fin de déclaration

Déclaration principale - revenus 2022

Précédent

Suivant

**DIVERS**

Plus-value en report d'imposition non expiré ☐ Si ce montant est incorrect, corriger ci-contre **BUT**

Revenus exonérés non retenus pour le calcul du taux effectif Conventions internationales, organismes internationaux, résidents diplomatiques ou consulaires **BPV**

Contrats de capitalisation ou d'assurance-vie souscrits à l'étranger remplissez la déclaration annexe n° 2018-2018 bis **BTI**

Comptes ouverts, détenus, utilisés ou clos à l'étranger remplissez la déclaration annexe n° 2018-2018 bis **BTK**

Revenus exonérés retenus pour le calcul du taux effectif autres que les salaires et pensions **BTI**

Revenus de source étrangère ouvrant droit à un crédit d'impôt égal à l'impôt français **BTK**

Revenus de source étrangère, ouvrant droit à un crédit d'impôt égal à l'impôt étranger :  
- Impôt payé à l'étranger sur revenus de capitaux mobiliers et plus-values **BVL**

- Impôt payé à l'étranger sur autres revenus **BVM**

Vous ne relevez pas d'un régime obligatoire français d'assurance-maladie Revenus des lignes TTC, TUF **BTN**

Impôt en sus de paiement en cas de transfert du domicile fiscal hors de France report de la déclaration n° 2041 GE ou n° 2074 ETS **BTP**

Reprises de réductions ou de crédits d'impôt **BTD**

Contribution exceptionnelle sur les hauts revenus :  
- Vos revenus non passibles de l'impôt sur le revenu en France excèdent 50 % de vos revenus mondiaux au titre des années 2020 ou 2021, cochez la case **BTH**

Revenus d'activité et de remplacement soumis aux contributions sociales  
Revenus d'activité et de remplacement de source étrangère et salaire d'indemnité de l'héritier d'un exploitant agricole, imposables à la CRDS, à la CASA (certains pensions et allocations de préretraite) et à la CSG au taux :  
- revenus non salariés 0,2 % **BSC**  
- salaires 0,2 % **BTH**  
- allocations de préretraite 0,2 % **BSC**  
- allocations de chômage 0,2 % **BTH**  
- indemnités journalières de maladie, maternité, accident du travail 0,2 % **BTH**  
- pensions de retraite et d'invalidité 0,2 % **BTH**

Check box 8UU

## Signing your tax return

### Step 4 / Étape 4

The final step is to sign your tax return and send off your declaration. At this stage, you will be able to view all your declared income from various sources under the '*déclaration de revenus*' section, followed by an estimation of your income tax total (*Estimation de votre impôt net après crédits d'impôt*) and the outstanding amount that you will need to pay (*Montant restant à payer*). You can also confirm or change the payment details by adding your bank RIB.

Be sure to double-check that all the information is correct and that you are happy with the income tax calculations before clicking 'signer ma déclaration'.

2086 is for declaring crypto-currency investments.

## Understanding your tax bill

For French residents, your annual tax notice or '*avis d'imposition*' is a crucial document that not only informs you of your income tax liabilities but serves as proof of your taxable income and '*revenu fiscal*'. But what exactly do all those different totals mean, and why is the '*revenu fiscal de référence*' so important? Here's what you need to know.

### Your Avis d'imposition

Everyone who is tax resident in France (along with some French second-home owners) will need to file an annual tax return in France, and will consequently receive an '*avis d'imposition*' or tax notice. These are typically made available in your online tax account from late July through August and will detail your annual revenue, taxable income, and any taxes owed.

But your '*avis d'imposition*' or '*avis d'impôts*' isn't simply a tax bill - it's also one of the most important documents you be issued in France and serves as your official proof of income. You will likely be asked for your *avis d'impôts* during any legal, financial, or tax procedure in France, for example, renting an apartment or applying for a mortgage, applying for or renewing your *carte de séjour* or residency card, taking out a loan, or applying for benefits.

You should be able to access all of your *avis d'impositions* via your online tax account, but it's a good idea to print out a hard copy or save each one as a pdf to your computer for your records.

### What is the 'Revenu Fiscal de Référence' on my French tax notice?

On the first page of your *avis d'imposition*, you'll see the two most important figures:

- The '*somme qu'il vous reste à payer*' - the amount of tax left to pay (after any upfront payments already made)
- The '*revenu fiscal de référence*' - your household's 'reference tax income'

So, what exactly is the *revenu fiscal de référence*? It's a common mistake for expats to assume that this number refers to your household's net taxable income (and in many cases, you may find that these two numbers are identical) - however, that's not actually the case. Instead, the *revenu fiscal de référence* refers to the household's available resources and includes both the net taxable income and other tax-exempt income and deductible charges.

La notice de cet avis est disponible en cliquant [ici](#) ou sur [impots.gouv.fr](#)

**RÉPUBLIQUE FRANÇAISE**  
Liberté  
Égalité  
Fraternité

DIRECTION GÉNÉRALE DES FINANCES PUBLIQUES  
**Impôt sur les revenus de 2019**  
**Avis d'impôt établi en 2020**

**Vos références**

Número fiscal (N) : [REDACTED]

Adresse d'imposition au 01/01/2020 : [REDACTED]

Número FIP : [REDACTED]

Référence de l'avis : [REDACTED]

Número de rôle : 011

Date d'établissement : 08/07/2020

Date de mise en recouvrement : 31/07/2020

**Vos contacts**

☐ Par messagerie sécurisée dans votre espace particulier sur [impots.gouv.fr](#)

☐ Par téléphone au 0 809 401 401 \* du lundi au vendredi, de 8h30 à 19h

☒ Sur place auprès de votre centre des finances publiques (horaires sur [impots.gouv.fr](#), rubrique « Contact »)

BIP PORNIC  
SAUD PORNIC  
3 RUE JEAN SARMENT BP 1419  
44214 PORNIC CEDEX

**Somme qu'il vous reste à payer**

[REDACTED] €

Vous n'avez rien à payer au titre des revenus de 2019.

**Revenu fiscal de référence :** [REDACTED]  
**Nombre de parts :** 1,00

\* Service gratuit + coût de l'appel

Le prélèvement à la source a débuté le 1<sup>er</sup> janvier 2019.

Cet avis fait suite à la déclaration, en 2020, de vos revenus 2019. Le montant porté sur cet avis prend en compte les prélèvements et retenues à la source qui ont pu être réalisés en 2019.

Pour retrouver toutes les informations relatives à votre prélèvement à la source (taux, options...), rendez-vous sur le service «Gérer mon prélèvement à la source» accessible dans votre espace particulier sur [impots.gouv.fr](#).

## Revenu fiscal de référence, revenu brut, revenu net : what's the difference ?

Let's take a look at how the *revenu fiscal de référence* is calculated. Naturally, French tax is an incredibly complex subject, and if you want to fully understand all the charges, deductions, credits, and calculations that go into assessing your tax liabilities, we recommend seeking the advice of a qualified tax advisor. However, we're going to simplify things for the sake of understanding and focus on the total figures you may see listed on your tax notice.

There are four main totals that you may see on your *avis d'impôts*, and they all refer to different calculations (note that depending on your professional situation and revenue sources, you may not see all of these on your tax notice, but all tax notices will have a *revenu fiscal de référence*)

### Revenu brut global

The 'total gross income' refers to all of your income, profits, and gains received over the year, minus any abatements (tax-free allowances).

### Revenu net global

The 'total net income' refers to the total gross income minus any tax-deductible 'charges' (expenses).

### Revenu net imposable

The 'taxable net income' refers to the total net income minus any 'abatements spéciaux' (special allowances - typically, these are reserved for elderly people, disabilities, military veterans, and similar).

### Revenu fiscal de référence

The 'reference tax income' refers to the available resources of a household and is calculated by taking the revenue net imposable (taxable net income) and adding any other sources of tax-exempt income or income subject to flat-rate tax levy (discharge levy). This includes:

- » Certain tax-exempt income, such as tips or remuneration of employees posted overseas
- » Certain income subject to a flat-rate discharge levy (for example, income from moveable capital).
- » Certain deductible allowances (such as the 40% allowance on dividends)
- » Certain income-deductible expenses (such as retirement savings)
- » Taxable real estate capital gains

## Revenu net imposable

Il sert au calcul du revenu fiscal de référence, comment est-il calculé ?

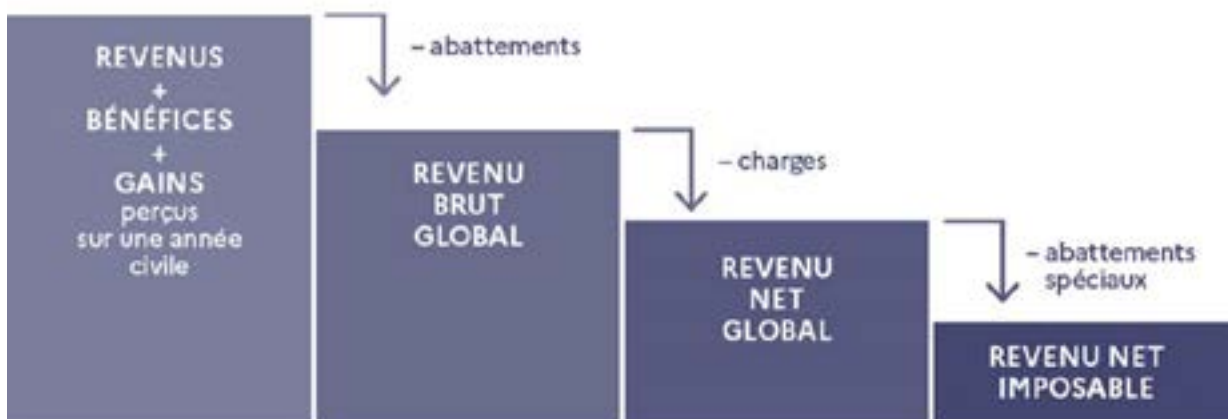


Image from [economie.gouv.fr](https://economie.gouv.fr)

## Why is the *revenu fiscal de référence* important?

Your French tax notice serves as your official proof of income and resources in France, and the *revenu fiscal de référence*, in particular, is taken into account to determine your revenue-based rights.

This is the number used to calculate whether or not you can benefit from social assistance (social housing, college scholarships, etc.), whether or not you qualify for tax exemptions or reductions (such as a *taxe foncière* exemption), government grants, energy checks, CAF benefits, and many other things.

On the other end of the scale, the *revenu fiscal de référence* will also determine high-income earners subject to the 'exceptional contribution on high incomes'.

---

## Understanding your tax bill

The deadlines for filing your annual tax return in France run from late May through the first week of June, and everyone living in France (as well as some non-residents) must, by law, complete a return by these dates. The French Tax Calendar at the end of this guide will make sure you stay up-to-date with these all-important dates, but what happens if you do forget and miss the deadline? Here's our advice.

### What if I file my return late?

Whether you weren't aware of your French tax obligations or whether the deadline slipped your mind, it's imperative that you go ahead and file your tax return as soon as you become aware of your error. Unfortunately, there are associated late fees and fines (we'll get to that in a moment), but the longer you wait, the higher the fees, so the best advice we can give you is to go ahead and submit your return **as soon as possible**.

### Filing a late tax return

If you typically file your tax return online, you should be able to find any missed declarations in your personal space on the [impots.gouv.fr](https://impots.gouv.fr) and can submit the

declaration online in the same way you would have done prior to the deadline. However, the online filing service closes on the last deadline (usually in the first week of June) and only opens for 'corrections' after the tax bills have been processed (usually early August). For paper returns, it's a good idea to take the late return in directly to your local tax office if you can—this will be the quickest way to submit your return and will also allow you to make your excuses and receive some advice on how to minimise any late fees. Otherwise, you would need to file it by post to the relevant local tax office, with proof of delivery in case they say they never received it.

### What if I've made a mistake & need to amend my tax return?

Note that if you have submitted your tax return by the deadline but then realise that you've made an error or omitted something, it is possible to make these corrections after the deadline without being fined as long as you do so before the deadline for tax return corrections (as indicated above, the correction system usually opens in August for a couple of months).

## What are the penalties for filing a late tax return in France?

As previously mentioned, there are penalties involved in filing a French tax return after the deadline, and there are also penalties for late payment of any income taxes owed. The applicable fees depend upon how late you submitted your tax declaration or made the payment:

- » If you haven't filed your tax return on time, you will typically be sent a formal request by signed-for delivery known as a '*mise en demeure*'. If you file your tax return before you receive this notice, then you will be subject to pay an **extra 10%** on top of any tax owed.
- » If you have received a *mise en demeure*, you will then have 30 days to submit your tax return and will be subject to pay an **extra 20%** on top

of any tax owed.

- » If you have received a *mise en demeure* but then take longer than 30 days to submit your tax return, you will be subject to pay an **extra 40%** on top of any tax owed.

For late payment, non-payment, or partial payment, penalties also apply from 45 days after receiving your tax bill:

- » You will be subject to pay an **extra 10%** on top of any tax owed.
- » On top of that, an additional 0.2%/month interest rate can be applied to any tax owed.

Finally, if the French tax authorities find out about any activity or income that has not been declared on your French tax return, you will be hit with the highest penalty of all - a whopping 80% surcharge. Which is one very good reason that you should come forward and declare any errors or omissions immediately.

## What if I missed filing my tax return due to special circumstances?

There may occasionally be circumstances that warrant an extension being granted for filing your French tax, for example, a death in the family or serious illness. In this case, an official written request must be made to the tax authorities, along with supporting documents (such as an official medical report) attesting to the extenuating circumstances. If this applies to you, you should contact your local tax office as soon as possible to find out how to proceed. However, each case is assessed on an individual basis, and there is no guarantee that the extension will be granted, so this should only be considered as a last resort for extreme cases.



## |Where & how to get help filing your French tax return

Filing your annual French tax return can be a stressful undertaking, especially if you have foreign income or pensions to declare, or if French isn't your first language. So, where should you turn if you have questions regarding your French tax declaration? Here's where and how to get help filling in your tax return in France.

### Send a message from your tax account online

The first port of call if you have a question regarding your French income tax declaration is to use the online messaging service accessed through your personal space at [impots.gouv.fr](https://impots.gouv.fr). Not only is this messaging service (*Messagerie*) linked

directly to your tax account, but replies typically receive a quick response (often within 48 hours, even during peak tax season).

The advantage of this is that you can not only take the time to explain your problem and translate the response if required, but you also have a written record of any questions asked. The downside is that you will need a *numéro fiscal* (tax number) and an online account in order to use this function, so it is not available to those filing a tax return for the first time.

**When to use it:** This is ideal for more general questions or receiving confirmation on whether or not you have filled in a certain section correctly. However, for more complicated or nuanced questions, you may find you need to contact your tax office.

### Ask a professional

If it is your first tax return, or you do not feel you are able to ask the right questions via your online messaging service, you may be better getting a tax specialist or chartered accounting firm to help you file your tax return, even if only for the first year or two, until such time as you can use the system yourself. Costs for these services will vary according to the professional, and also the complexity of your tax file, so you will need to ask for a quote before agreeing to their services!

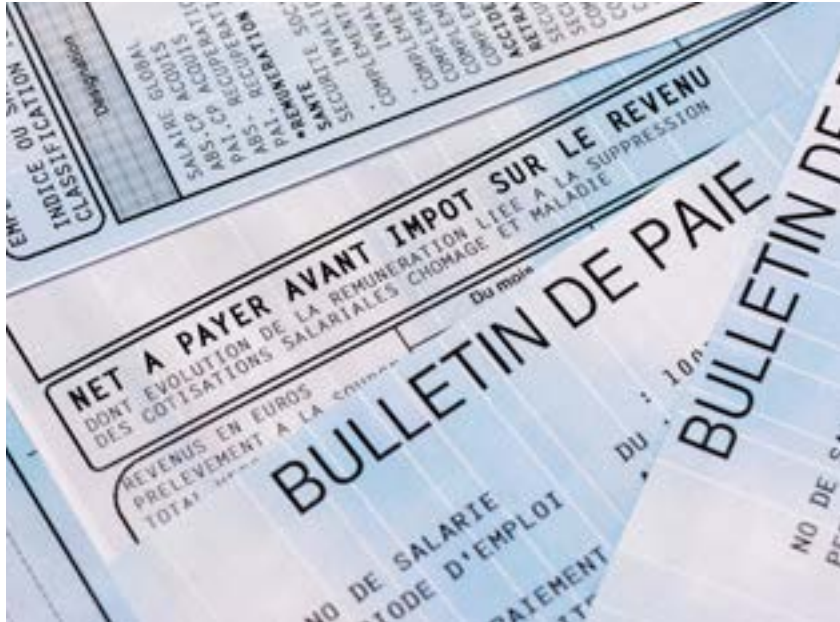
---

# Understanding French Social Charges

---

- » What are social charges in France
- » Why are taxes and social charges so high?
- » Who needs to pay French social charges?
- » Rates of French social charges - how much will you pay on your earnings?
- » Rates of French social charges - how much will you pay on your pension?
- » Rates of French social charges - how much will you pay on your savings, investment and other income?

# Understanding French Social Taxes



France's reputation for high tax rates is largely due to the high rates of social security contributions levied on taxable income, and this can be a source of confusion for foreigners. So, what are France's "social charges", what percentage of your earnings will you pay as an employee or self-employed worker in France, and do you need to pay social charges on your pension, investments, and other revenue? Here's what you need to know about French social charges.

## What are "Social Charges" in France?

France's comprehensive social security system is funded by social security contributions (*contributions sociales* or *cotisations*) and social charges or social taxes (*prélèvements sociaux*) paid as a percentage of your taxable income. Most employees in France will find that their social security contributions are applied at a rate of about 22% on their gross income (*salaire brut* or *revenu brut*). For self-employed workers under the auto-entrepreneur regime, these rates are currently between 12.3% and 23.3% of gross income earned, depending on the type of activity carried out. For self-em-

ployed workers under another regime, these can be as high as 42% of profit, and business owners and employers are also liable to pay a portion of social contributions on behalf of their employees. With the auto-entrepreneur regime, the social contributions are calculated as a flat-rate percentage of your total gross earnings, without the tax-free allowance you get on income tax. However, these charges are effectively tax-deductible, being part of the flat-rate tax-free allowances you get on the Micro tax regime (which the auto-entrepreneur is part of).

**IMPORTANT:** The rate of social contributions for certain professionals under the auto-entrepreneur regime is due to increase from July 2024 over a period of 18 months, up to just over 26% in 2026. This is because an additional contribution to a complementary retirement pension is being added, which is not currently available to professionals in the intellectual '*profession libérale*' category. All social contributions in France are mandatory, meaning you cannot opt out of paying into a pension.

### Social charges, social contributions, social taxes: which is which?

For foreigners in France, the term ‘social charges’ is often used as the catch-all term to describe all the many different social security payments that are deducted from your salary (or paid by businesses and self-employed workers). You might hear these referred to as ‘*contributions sociales*’, ‘*charges sociales*’, ‘*les cotisations*’, ‘*les prélèvements sociaux*’ and many other terms, and it can get a bit confusing! These social security contributions can be broken down into various different contributions for which you receive rights to certain services in return (such as healthcare, pension, family allowance and for employees, unemployment benefits), and the general “social charges” or social taxes (CSG/CRDS), for which you receive no individual rights, but which go towards various national services that you may or may not take advantage of personally. Some of the

mandatory contributions to the general and complementary state pension schemes, and old-age insurance contributions, in addition to healthcare, unemployment, and other contributions, will be made on your behalf by your employer. All of these contributions are mandatory if you live and work in France.

Social taxes (known as ‘*prélèvements sociaux*’), are also payable on other forms of income in France, including pensions, investments, capital gains, rental income, and savings interest. However, when using the word ‘social charges’ in this context, it refers only to the general social charges (CSG/CRDS), therefore bringing about no additional rights to healthcare or pensions. For this reason, we prefer to refer to these as “social taxes”, which more correctly describes their function.

We’ll look at all of the different social contributions and taxes in more detail later.

### Why are French Social Contributions/Taxes so high?

Many foreigners moving to France ask the question: “why are French social charges so high?” However, it is important to take into account the total of France’s income tax rates and fiscal household calculations, as well as your social security contributions and social taxes. French income tax rates are comparatively low, especially for families, and so these social contributions and taxes will account for the vast majority of your monthly tax deductions, not income tax. (This is opposite to many other countries, where income tax may form a larger percentage and social security contributions are often minimal).

While the burden of social security contributions can be high for businesses and some self-employed workers, many working families may not find their tax liabilities in France to be wildly different to what they were used to in their home country. As a very rough guideline, the OECD indicated an average total tax of 24.8% on workers’ salaries in France in 2020.

Another important thing to consider are the benefits reaped from being part of France’s social security system. France’s social security system is one of the most comprehensive in the world, providing universal state healthcare, some of the highest state pensions in Europe, generous maternity, paternity, childcare, and family benefits, and protections for long-term illness, disability, and unemployment. Many expats consider paying into this system to be more cost-effective than taking out private insurance policies, paying for private healthcare, or paying into private

pension funds.

When considering your tax liabilities in France, it's essential to take all of these different aspects into account, as well as the many variables that can come into play depending on your personal situation. The calculation of French taxes and French social security contributions can be extremely complicated, which is why it is highly recommended to seek expert advice on your situation if you are moving to France.

### | Who needs to pay French social contributions?

Social security contributions are compulsory and must be paid by all workers in France in the same way that you pay income tax. If you are employed in France, your social security contributions will be deducted from your wage at source along with your income tax, and if you are self-employed as an auto-entrepreneur, your social security contributions will be calculated when you submit your monthly or quarterly income declaration (*déclaration de chiffre d'affaires*). If you use a different tax regime as a self-employed person, you may have quarterly accounts to pay towards social security contributions based on the last-known income (only the auto-entrepreneur regime is a PAYE type of regime).

In France, all employers also pay a portion of social security contributions on behalf of their workers - these are known as the '*contributions employeurs*' ou '*charges patronales*'. Your French payslip will list all of these contributions made by both you and your employer.

As a business owner or employer in France, it is highly recommended to consult a tax advisor to fully understand your social security responsibilities.

### Social security contributions for foreign workers living in France

Many expats living in France work for international companies or carry out business with international clients, and this can sometimes be confusing as to where you will pay your taxes and social security contributions. If you are resident in France, you must still apply for a social security number and submit an annual tax return - however, there may be situations in which you are not liable to pay French social security contributions. If you live in France but receive a salary from physically working in an EU or UK company - for example, or if you work

for the French branch of a UK firm, but your salary is paid from the UK as a posted worker - you will often be taxed at source in the country from which you receive your wages. Depending on your situation, this country may then issue an S1 form (portable social security certificate) to enable you to access France's state healthcare system.

As a self-employed worker or business owner who lives in France, but works for international clients or conducts business internationally, you will still be liable to pay French social security contributions. However, the nature of your business and the location of your employees or associates will come into play

- again, in this situation, it's highly recommended to seek professional advice. It's also important to note that you may also continue to make voluntary contributions to your home country's social security system if you wish, providing this

option is available. For example, a British citizen working in France may elect to continue making voluntary National Insurance contributions in the UK during their period posted abroad.

### Social taxes on pensions and other income

It is not only workers in France that are liable to pay social contributions - a portion of these social taxes are also levied on other income sources, including pensions, investments, capital gains, rental income, and savings interest. This kind of income is subject to the social taxes (CSG/CRDS) only, and rates vary depending on the kind of income (more on this below).

## Rates of French Social Contributions: how much will you pay on your earnings?

Now we've looked at whether you will be liable to make French social security contributions, let's take a look at what you can expect to pay. The first thing to point out is that the calculation of French social security contributions and social taxes is incredibly complicated, and the below information is intended as a very rough guide only. Your personal situation, salary, industry, and the size of the company you work for may all affect these figures.

French social contributions rates in 2023 for the average salaried employer will add up to about 22% of your gross income, and they include:

### Contributions sociales/Charges sociales (Social charges or social taxes)

» CSG - *Contribution sociale généralisée* or *Generalized social contribution* - 9.2 % (2.4% taxable, 6.8%

non-taxable) on 98.25% of your total monthly salary.

» CRDS - *Contribution pour le remboursement de la dette sociale* or *Contribution to the repayment of social debt* - 0.5% calculated on the same basis as CSG.



### Cotisations de Sécurité Sociale (Social Security Contributions)

- » *Cotisation pour l'assurance vieillesse plafonnée* (capped old-age insurance) at 6,90%
- » *Cotisation pour l'assurance vieillesse déplafonnée* at (uncapped old-age insurance) at 0,40%.

### Cotisations de Retraite Complémentaire (complementary pension contributions)

- » CEG - *cotisation d'équilibre généralisé* (general balance contribution)
  - 0.86% to 1.08% depending on your

salary plus an additional 0.14% CET contribution for higher earners.

- » *Cotisation Agirc-Arrco* - complementary pension contributions - 3.15% to 8.64%, depending on your salary

## Rates of French social taxes: how much will you pay on your pension?

Pensions in France are only subject to social taxes, including CSG, CRDS & CASA. Firstly, CSG (*Contribution sociale généralisée*) is applied at a rate of 3.8%, 6.6% or 8.3% in 2024. If you receive a French pension, or if you receive a foreign pension and have obligatory French health insurance, your pension income will be subject to one of these rates, depending on various criteria. Exemptions are made for individuals whose last-known *revenu fiscal de référence* or RFR (reference tax income) is less than €12,230, or couples whose RFR is less than €18,760, and the rate applied from the three indicated above will depend on your RFR from the previous 2 years.

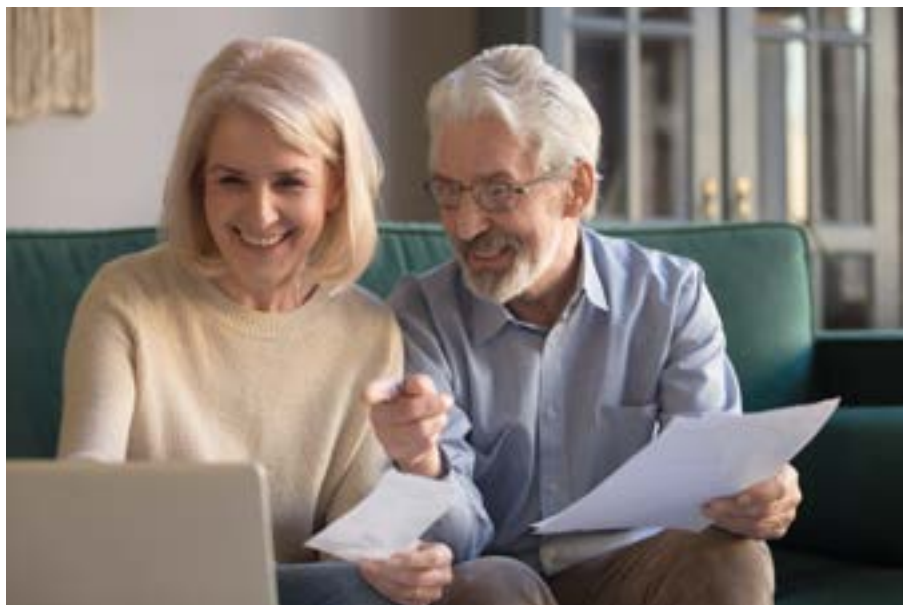
Pensioners may also pay the CRDS (*Contribution pour le remboursement de la dette sociale*) at a rate of 0.5% and CASA (*solidarité pour l'autonomie*) at 0.3%, although exemptions are available depending on your RFR.

This can add up to a total of **9.1% social taxes** paid on your taxable pension income, depending on your situation.

If you are an EU citizen retired in France and receive a pension from another EU country, you may be able to apply for an S1 form. This entitles you to access France's state health system and grants an exemption from paying French social taxes.

This also applies to UK pensioners who moved to France prior to Brexit and are covered by the Withdrawal Agreement. Recipients of British state pensions post-Brexit who wish to move to France, may also be able to obtain an S1 form.

If you are a retiree in France who receives a non-EU pension, you may be required to pay social taxes on your foreign pension in France. As always, if you are unsure of your liabilities, we highly recommend seeking professional advice.



## | Rates of French social charges: how much will you pay on savings, investments, and other income?

General social taxes (CSG/CRDS), are also applied to other income sources, including investments, capital gains, rental income, and savings interest, in addition to a further '*Prélèvement de Solidarité*' charge. These are taxed at different rates depending on the income source. The 2024 rates are:

CSG - 9.2%/0%

CRDS - 0.5%/0%

Prélèvement de Solidarité - 7.5%

Depending on your situation, including whether or not you are resident in France, you may be liable to pay the full rate of 17.2% or the minimum rate of 7.5%

Initially, after Brexit, UK residents were subject to the full 'non-EU' rate of 17.2% social taxes on investment income and capital gains in France. However, new legislation in 2022 granted Brits the right to an exemption of CSG/CRDS, reducing the overall rate to 7.5%, known as a *solidarity tax*. This exemption applies under the following conditions:

- » You are a national or legal resident of the United Kingdom
- » You are affiliated with the British social security scheme
- » You are not covered by the French social security scheme via a mandatory health insurance scheme (eg, also earning an income from a French professional activity)

## | Social Taxes on Investments and Capital Gains Post-Brexit: 17.2% or 7.5%?

The above changes are good news for UK residents with investments or property in France. Providing that you are a legal UK resident, pay your social security contributions in the UK, and do not benefit from the French social security scheme, you will from now on be subject to social taxes of 7.5% only on any investment income, rental income or capital gains in France.



---

# Taxation of rental income in France

---

- » Will you pay tax on your rental income in France?
- » Will you pay tax on your UK, US or other overseas rental income in France?
- » Taxes on French rental income for non-residents

# Taxation of rental income in France



If you own a second home or have real estate investments in France and you rent your property out, it's essential to understand your responsibilities regarding tax on your rental income. Here's what you need to know.

## | Will you pay tax on your rental income in France?

Yes. Rental income arising on a French property is always taxable in France, regardless of where the money is paid to you or where you live. However, there are some differences, depending on whether you are resident or non-resident, and the kind of business regime your rental property falls under. As with all income in France, your rental income will be subject to both French income tax and social taxes (prélèvements sociaux), so it's important to take both of these figures into account.

## Tax on rental income for residents in France

Tax rates and allowances on rental property in France depend upon the category of income your rental property falls under.

### Income categories for renting property in France

Taxable rental income is calculated under two principal categories in France: *Revenus Fonciers*, applicable to income from land and unfurnished lettings; and *Bénéfices Industriels et Commerciaux (BIC)* applicable to income from furnished lettings, which is treated for calculation purposes as commercial income. Within the BIC furnished rental lettings category are several sub-categories, including long-term rental, short-term self-catered rental, short-term self-catered rental with tourist certificate and short-term rental with hotel-type services, known as *para-hôtellerie*. Bed and Breakfast (*chambres d'hôte*) is also a form of *para-hôtellerie* but with specific rules.

#### *Revenus Fonciers*

If you invest in long-term unfurnished rental, you are obliged to draw up a 3-year renewable lease with very strict rules relating to termination of the lease (very much in the tenant's favour). To terminate the lease, the owner has to give 6 months' notice (prior to a 3-year anniversary date) and must fulfil certain criteria for being able to take back the property from the tenant; the tenant has to give 3 months' notice.

This type of rental income is considered as a private income and does not involve any form of business registration with the authorities.

There is a simplified deduction scheme called the *Micro Foncier* that can be used for income from unfurnished property or land, provided the gross rental income

does not exceed €15,000 per annum. In this case, the tax-free allowance (fixed allowance towards costs) is 30% of gross. You simply declare the gross revenue on your tax return and the tax authorities automatically apply the deduction.

However, if the turnover exceeds the above threshold, you will automatically fall within the income and expenditure method of calculation, the *Régime Réel Simplifié (RRS)*. Under this method, actual expenditure related to the letting of the property is tax-deductible e.g. management expenses; insurance, property ownership tax, mortgage interest, repairs & maintenance of the building. Improvement costs related to rebuilding or expanding your property are tax deductible for capital gains tax purposes only. There is a mini profit & loss annex to complete as part of the personal income tax return (annex 2044).

#### *Revenus de location meublée (BIC)*

As soon as you let your property on a furnished rental basis (whether long-term or short-term), you need to register the activity with the authorities and obtain a business registration number (Siret), bringing about the CFE tax mentioned earlier in this guide. Over the past 10-15 years, the subject of furnished rental activities has become more and more complex in France and there are different rules applied according to various criteria, which are more easily explained in the following table!

For a long-term furnished rental, you must draw up a 1-year renewable lease. To terminate the lease, the owner has to give 3 months' notice; the tenant has to give 1 month's notice. The rules are far less restrictive than for long-term unfurnished lets.

If you let a room in your primary residence to a tenant who uses it for their own primary residence, and if the rent does not exceed a certain threshold per

Taxation of rental income in France

annum (for 2024, 206€/m2 in Paris and 152€/m2 in other areas), this income is tax-free and does not need to be declared.

Otherwise, all rental income - unfur-

nished, long-term furnished, short-term self-catered, short-term with hotel-type services or bed & breakfast is all subject to income tax and social taxes of some kind.

| RENTAL ACTIVITIES using MICRO TAX REGIME   |                                     |                                            |                                                        |                    |                                                                                              |
|--------------------------------------------|-------------------------------------|--------------------------------------------|--------------------------------------------------------|--------------------|----------------------------------------------------------------------------------------------|
| CATEGORIES OF RENTAL ACTIVITY              | PERIOD OF RENTAL                    | CRITERIA FOR EXTRA TAX ALLOWANCES          | MAX TURNOVER THRESHOLD                                 | TAX-FREE ALLOWANCE | NOTES                                                                                        |
| * UNFURNISHED = LONG-TERM                  | 3 YEARS renewable                   | N/A                                        | 15,000 €                                               | 30%                | Private activity, no registration or Siret No<br>No CFE tax, no VAT                          |
| * FURNISHED LONG-TERM                      | 3-12 months (renewable max 3 times) | N/A                                        | 77,700 €<br>NB if turnover >23000€ LMP (professional)  | 50%                | Commercial activity<br>Siret No & CFE tax due<br>No VAT                                      |
| * FURNISHED SHORT-TERM SELF-CATERED        | 1-90 days                           | without tourist cert OR in 'zone tendue'   | 15,000 €                                               | 30%                | Commercial activity<br>Siret No & CFE tax due<br>No VAT                                      |
| * FURNISHED SHORT-TERM SELF-CATERED        | 1-90 days                           | with tourist cert AND not in 'zone tendue' | 188,800 €<br>NB if turnover >23000€ LMP (professional) | 51%                | Commercial activity<br>Siret No & CFE tax due<br>No VAT                                      |
| * FURNISHED SHORT-TERM WITH HOTEL SERVICES | 1-90 days                           | N/A                                        | 188,800 €                                              | 71%                | Professional commercial activity<br>Siret No & CFE tax due<br>VAT option/obligation >91,900€ |
| * CHAMBRES D'HOTE (B&B) not Airbnb         | 1-90 days                           | N/A                                        | 188,800 €<br>NB if turnover <6028€ no social charges   | 71%                | Commercial activity<br>Siret No & CFE tax due<br>VAT option/obligation >91,900€              |

As a general rule, self-catered rentals fall outside of the VAT regime.

In 2024, there were some changes to the VAT rules and it may be possible for self-catered short-term rentals to be subject to VAT like para-hotel rentals, so you should check with your accountant whether you will now fall into this category. However, currently the VAT threshold on furnished rentals is 85000€ gross, so this will not affect modest rental landlords.

**IMPORTANT:** Recent changes in French law have toughened the rules on short-term self-catered rental activities, so you must check with your local commune whether you are allowed to let the property short-term and whether you need to apply for a change of use. You may find there are restrictions to be able to let the property to tourists rather than to people needing residential year-round housing. There are additional steps to take PRIOR to renting (obtaining a minimal level of energy rating, checking with the co-propriété rules whether you are allowed to rent short-term).

For furnished rental, depending on the level of income, you can also take advantage of a simplified Micro regime. The changes in the Loi Meur voted in November 2024 have meant that some short-term tourist rentals will have to comply to stricter criteria to remain on this simplified regime, and even chambres d'hôte have been included in these reduced thresholds and tax-free allowances:

> if you have a valid tourist certificate (classification), you can earn up to 77,700€ on the Micro regime with a tax-free allowance of 50% (reduced from 71%)

> if you do NOT have a valid tourist certificate, you can earn only 15,000€ on the Micro regime with a tax-free allowance of 30% (reduced from 50%)

It should be noted that, on 2024 income being declared in 2025, the previous rules still apply (up to 77,000€ with a 50% allowance without the tourist certificate and up to 188,700€ and a 71% allowance with the tourist certificate). Long-term furnished rental is excluded from the new changes in law and you cannot obtain a tourist certificate (as you are not renting to tourists), and therefore the maximum turnover threshold on the Micro regime is currently 77,700€ with a fixed 50% tax-free allowance. For short-term rentals, we distinguish between those without a tourist certificate (with a far reduced turnover threshold since the 2024 Finance Law, of only 15,000€) and those with a tourist certificate outside of the 'zone tendue' (with the higher turnover threshold of currently 188,700€). As para-hotel and B&B activities (both professional activities) also have the same higher turnover threshold of 188,700€, it means that self-catered rental properties with a valid tourist certificate outside of the 'zone tendue' are treated the same as a para-hotel property providing hotel-type services to guests.

The furnished Micro-BIC regime is a sim-

plified deduction scheme that taxes a fixed percentage of gross income, therefore allowing the balance towards the running costs of the activity. From the table above, you will see that the tax-free allowance varies according to the category of rental income (50% for long-term self-catered rentals, 30% since 2024 for short-term self-catered without tourist certificate, or with tourist certificate but in a 'zone tendue', and 51% since 2024 for short-term self-catered rentals with a tourist certificate outside of the 'zone tendue'! This higher allowance used to be 71%, so all the tourist rental allowances have been reduced on this Micro-BIC regime. For para-hotel & B&B (chambres d'hôte within your primary residence), the tax-free allowance is still 71%.

Under the Micro-BIC regime, no expenses need be demonstrated, no accounts are required and no separate tax forms for the business need to be prepared. The main drawback of this regime is that it always shows a fixed taxable profit i.e. it can never show a lower net profit or a loss.

However, if the turnover exceeds the above threshold, you will automatically fall within the income and expenditure method of calculation, the Régime Réel Simplifié (RRS). Under this method, actual expenditure related to the letting of the property is 100% tax-deductible e.g. management expenses, letting insurance, professional taxes, accounting fees; and expenditure related to the property itself is tax-deductible on a pro-rata basis, according to the amount of time the property is let compared to when it is used for personal use e.g. utilities, taxe foncière, mortgage interest, depreciation, repairs, maintenance and improvement expenditure (generally where the property has been modernised or made more comfortable, but where the structure of the property has not been changed). Im-

Improvement costs related to rebuilding or expanding your property are tax deductible for capital gains tax purposes only.

The default position where you fall within the above thresholds is the Micro regime. However, should you make a loss or your expenses exceed the fixed 'Micro' deductions, you may opt into the RRS. Such an option is currently valid for a minimum period of two years for furnished lettings, and a minimum period of three years for unfurnished lettings, and the cost of this regime can often outweigh the tax saving. In some circumstances, the option may be more beneficial, such as where there is a high level of expenses (e.g. a large amount of mortgage interest), if this gives rise to a loss that could be carried forward and set against future profits, or a high property value (used to calculate the annual depreciation). There are also restrictions on the timing of such an option, which cannot be back-dated.

As indicated above, with the new rules that came into play on 01/01/2025, the default position of the Micro-BIC regime will only apply if turnover does not exceed 15,000€ in most cases; therefore the Réel regime is likely to be used more often than in the past.

We are keeping an eye on the news as to whether the French government back-track on these hardened rules.

If your gross rental income exceeds €23,000 per annum (and other requirements are met), you may register as a professional furnished landlord (loueur en meublé professionnel - LMP), as this can be advantageous with respect to French capital gains and wealth tax, depending on the number of years you've owned the property and have been running the professional activity. However, if you do not fulfil the various criteria to get the exemption, the professional CGT regime is far more expensive than that of the individual CGT regime as social contributions are calculated on the short-

term gain (which is the annual depreciation that has been offset over the period of the rental activity).

If the property is held in an SCI (a private French property-holding company) or a non-French company\*, the Micro regimes cannot be applied to rental income. In either case, and with the Réel regime for individuals, any tax savings from operating the RRS may be lost in additional accountancy bills. If an SCI lets a furnished property directly, the income becomes subject to corporation tax, not income tax, as does any capital gain on disposal. There could be a way of using a lease to a third party for the purposes of rented furnished, to be discussed with an accountant. There are additional penalty taxes if the property is owned via a company in a blacklisted country.

*\*Be aware that if you decide to purchase via a foreign company structure and you wish to let the property furnished, you need to register a branch of the foreign company in France and carry out a set of accounts related to the rental activity. Generally, direct ownership of a French property via a foreign company is not a tax-efficient way of owning property in France. You should get advice from a tax professional or accountant to find out more about your own circumstances.*



## Social taxes on rental income in France

French social taxes (*prélèvements sociaux*), on rental income are calculated based on three different rates with a maximum total of **17.2%**:

- » CSG (*Contribution sociale généralisée* or Generalized social contribution) - **9.2%/0%**
- » CRDS (*Contribution pour le remboursement de la dette sociale* or Contribution to the repayment of social debt) - **0.5%/0%**
- » *Prélèvement de Solidarité* (Solidarity tax) - **7.5%**

**Important!** Should you fall into the category of 'professional' landlord (see chart), you may also be liable for full French social security contributions (see the chapter *Understanding French Social Contributions*)

## | Will you pay tax on your UK, US, or other overseas rental income in France?

What about if you become resident in France, but you still own and rent out your UK, US, or other overseas property? In this case, you will be liable to declare your rental income in France. However, most double-tax treaties in place with France and other countries, including the UK and the United States, stipulate that rental income is taxable in the country where the property is located.

You will therefore be required to file a tax return both in the country where your property is located *and* in France. However, in the case of a double tax treaty, you will receive a tax credit to offset against your French taxes for rental income earned abroad. Although you are not taxed again in France on this income, the declaration of that income will increase the marginal tax rate you will pay on any French taxable income.

## | Taxes on French rental income for non-residents

If you are not resident in France but rent out your French property, you will pay an upfront stage payment towards the taxation of your rental income in France based on the previous-known tax. You will be subject to a flat-rate of income tax and social taxes on all of your rental income. These rates apply to the net rental income, so you will either have a true net income (or loss) calculated in your financial accounts (or for unfurnished rental on the annex 2044) using the RSS regime, or a fixed tax-free allowance will be applied when using the Micro regime, before your tax is calculated.

Non-resident renters have two options—the simplest is to pay the flat rate of tax on your rental earnings. In 2024, the tax rate applied to rental income for non-residents is 20% up to a threshold of €29,315. Any rental income over this amount will be taxed at 30%.

The second option is to apply the French progressive rates of income tax to your *worldwide* income in order to establish the effective tax rate on the French letting income. In that case, the tax liability is calculated on your global income as if

you were a French tax resident, but then the proportion of the tax liability related to the income that is not subject to French taxation is discounted.

Note that you will likely still need to declare your French rental income on your tax declaration in your country of residence. In most instances, you will receive a tax credit related to the taxes already paid in France. In the event that the tax liabilities in your country of residence are higher than those in France, you will be liable to pay the difference.

### Social taxes on rental income for non-residents

Your rental income in France will also be subject to social taxes. French social taxes on rental income are the same for residents and non-residents – 17.2% as detailed above.

However, for non-residents affiliated with an EU, EEA, or UK social security system, there is an exemption from the CSG/CRDS taxes.

Essentially, this means that EU or UK residents only pay the 7.5% solidarity tax on any rental income or capital gains. This also applies to UK residents post-Brexit under the conditions previously highlighted earlier in this guide.

### Taxes on French rental income for UK Residents

The following specifically relates to owners of French rental property resident in the UK.

If you remain UK resident, the French rental income will also be liable to UK

income tax, wherever the money is deposited or paid to you, or even if the money is never brought into the UK. Any French tax paid is deductible against the UK tax liability, in accordance with the UK/France Double Tax Treaty. Where the French tax is higher, no further tax will be due in the UK, and no refund will be made for the difference. However, if the UK tax liability on the income exceeds the French tax paid, the difference between the two liabilities will be due in the UK.

Each country will apply its own rules in calculating the taxable income, and each country has a different tax year (the UK tax year runs from 6th April to the following 5th April, and the French tax year is a calendar year).

In the UK, the taxable income is calculated by deducting actual expenses wholly and exclusively incurred for the purposes of the letting and include: agent fees and commissions, repairs, insurance etc. There are a few differences with the UK allowable deductions compared to France, so please check with your UK advisor as to whether you can offset any mortgage interests and whether there is any depreciation allowance. This may depend on whether or not the rental activity is considered as a furnished holiday let.

Therefore, if you are UK resident, it is essential to keep full records, because whilst there may be simplified deduction schemes in France, there are none in the UK. You need to make a note of the dates as well, because you will need to convert the Euro amounts into Sterling for UK tax purposes at the individual dates in question.

.....

---

# French tax related to your real estate value

---

- » What is French wealth tax or IFI?
- » How is wealth calculated?
- » How does marriage and PACS affect wealth tax?
- » Paying French wealth tax
- » What happens if I file my wealth tax return after the deadline?

# French tax related to your real estate value



If you're a High-Net-Worth Individual (HNWI) or property investor and you live in France or have French property or real estate investments in France, you may find that you are liable to pay French Wealth Tax—*Impôt sur la fortune immobilière* or IFI. Here's what you need to know.

## | What is French wealth tax or IFI?

Wealth tax or *Impôt sur la fortune immobilière* (IFI) is a tax levied on individuals owning high-value or high combined-value real estate in France. The IFI is a progressive tax payable by French residents with worldwide real estate assets valued over €1.3 million and non-residents with French real estate assets valued over €1.3 million.

Introduced in 2018, the IFI replaced the previous *Impôt de solidarité sur la fortune* (ISF), which had been in place since 1989. While the previous tax (ISF) took into account all assets, including property, furniture, savings, investments, and other

assets, the reformed tax is now only applied to real estate assets.

Long regarded as one of France's most controversial taxes, it's often been a sticking point for wealthy expats looking to move or invest overseas, as well as coming under fire for being a tax that targets residents who own 'capital' but do not necessarily receive high income. Despite the bad reputation, it's important to remember that this tax is only paid by a small number of the wealthiest French households (around 350,000 each year), and the majority of these pay comparatively minimal amounts in IFI (some 250,000 households are reported to pay less than €5,000 annually).

### | How is wealth tax calculated?

There are two ways this is calculated:

- » For **French residents**, this figure is calculated on all global real estate assets. So, if you own property or have real estate assets in the United States, the UK, or any other country, it is the total value of all of these properties plus any French properties you own that is taken into account.
- » If you are **non-resident**, this figure is calculated based on the total value of your French property and real estate assets only. So, if you own more than €1.3 million in global property assets but just one €500,000 property in France, you will not be liable for French wealth tax.

French wealth tax or IFI is a progressive tax, with rates ranging from 0.5% to 1.5%, as follows:

| Band of Value               | Rate of Tax |
|-----------------------------|-------------|
| Up to 800,00 €              | 0%          |
| 800,001 € to 1,300,000€     | 0.5%        |
| 1,300,001 € to 2,570,000 €  | 0.7%        |
| 2,570,001 € to 5,000,000 €  | 1%          |
| 5,000,001 € to 10,000,000 € | 1.25%       |
| Above 10,000,000 €          | 1.5%        |

Where you only exceed the 1.3 million€ by less than 100,000€, there is a small reduction applied.

If you are a French resident, and if your wealth tax is high, you can offset a number of charitable donations (in which case these cannot also be offset in the income tax return) up to a maximum of 50,000€, as well as any wealth tax that may have been paid in another country, up to the amount of tax payable in France on that property. The amount of wealth tax cannot exceed 75% of the net taxable income from the previous year and a calculation can be made to cap the wealth tax accordingly, where relevant.

Although French Wealth Tax is only payable on real estate assets valued over €1.3 million, the tax-free threshold is actually set at €800,000, as indicated above.

This means that once you pass the €1.3 million trigger point, you will be liable to pay taxes on anything over €800,000. In other words, it is only the first €800,000 of the combined value of your property assets that is tax free.

The value to be declared is the estimated market value of the property on 01/01 of the year of taxation. Unlike income tax, which is declared the year following

the calendar year of income, wealth tax is paid on market values of the year in which the return is filed.

For example, when you declare 2024 income in May 2025, you declare 01/01/2025 market values of your property for the wealth tax calculation. Possible via your French tax account that can be used to estimate the value of your property(ies) using sales of similar sized properties in the local area. The French tax authorities usually have a good idea from this of m2 values across the different communes and within different parts of those communes.

The wealth tax declaration (Déclaration de l'Impôt sur la Fortune Immobilière 2042-IFI) is an annex of the personal income tax return but you will receive a separate tax bill for each. However, if you are non-resident in France and have no French income, you must file a separate wealth tax return in May each year. It is generally not possible to file a wealth tax return online as a non-resident, unless you also have rental income. As a rule, these declarations are therefore filed by post.

### What properties are exempt from French wealth tax?

The €1.3 million threshold is calculated taking into account all built property (houses, apartments, and outbuildings), historical monuments, property under construction, real estate land, some real estate investments, and immoveable rights. However, there are some full or partial exemptions available, including:

- » A 30% allowance on the value of your principal residence
- » Real estate used for your *principal professional activity* (and not simply because you run a rental activity from the property!)
- » Woods/forests under professional use
- » Rural property leased long-term or for professional use (such as agricultural land)

The calculation of your taxable property assets and exemptions can be complex, so it's highly recommended to seek professional advice.

### What about if I move to or return to France?

There are some important exceptions to wealth tax liabilities for foreign citizens who

move to France, as well as French citizens or permanent residents who return to France after having lived overseas for more than five years.

For these individuals, IFI will only be calculated on and applied to property assets located in France for the first five years of their residence or return to France. This means that if you move to France, you do not need to be concerned about paying wealth tax on your global real estate assets for the first five years. After this grace period, all your global property will potentially be subject to wealth tax.

### **| How does marriage and PACS affect Wealth Tax?**

Wealth tax is calculated for each household rather than for each individual. Couples are generally subject to common taxation on the sum of their property regardless of the property ownership and regardless of whether or not they are married or in a civil union (PACS), unlike income tax. Exceptions may be made in the instance of separated couples who can prove they live separately.

Also, once children reach the age of 18, they are no longer considered as part of the IFI fiscal household and their share of any real estate assets is extracted from the household regardless of whether or not they still live at home.

As you can see, your 'fiscal household' for IFI purposes may be different to that of your 'fiscal household' for income tax purposes. If you have concerns or questions regarding your personal situation, it's highly recommended to seek professional tax advice.



## **| Paying your French wealth tax**

The tax bill is sent separately from the income tax bill, although at a similar time. You must pay the wealth tax in one payment usually by mid-September each year. It has been known for the non-resident tax office to take longer to issue bills and therefore you should check your individual bill for the payment date, which could be later (and will be if you haven't received it by September!).

## **| What happens if I file my French wealth tax return after the deadline?**

There is always a late filing penalty in France for any tax declaration, and this is normally 10% of the tax due, plus late payment interests depending on the number of months the payment is late compared to the original due date for that tax (see notes on tax penalties in the income tax section earlier in this guide).

Please be aware that, in the case of a tax inspection (where it is the tax authorities that have contacted you because they have not received any wealth tax returns, rather than you filing at your own decision), penalties can be applied at 40% and even 80% of the tax due, depending on whether the authorities consider you purposely avoided filing the return.



---

# French capital gains tax

---

- » Are capital gains taxed in France?
- » Will I pay tax if I sell my French property?
- » How much is capital gains tax in France?
- » How is individual capital gains tax calculated in France?
- » Do I need to pay capital gains tax in France as a non-resident?
- » Will I pay capital gains tax both in France and in my home country?
- » Do I need to pay capital gains tax in France on the sale of my UK or US property?
- » How do I pay capital gains tax in France?

# French capital gains tax



If you have property or financial assets, you may need to know how you might be taxed in the event of a sale. Here's what you need to know.

## | Are capital gains taxed in France?

Yes. Capital gains tax, or plus-value in French, is payable in France on any profits made upon the sale or transfer of real estate property and moveable goods. The capital gains is subject to both income tax and social taxes (prélèvements sociaux).

Capital gains tax applies to:

- » Real estate property (built and un-built), land, and other real estate assets
- » Moveable assets

» Shares of real estate companies  
For the purpose of this guide, we are focusing on how capital gains is taxed on the sale of a second home or property in France. To understand how capital gains tax is applied on other real estate investments and moveable assets when gifting, transferring, or exchanging property or real estate assets or when selling businesses or shared property, we recommend getting in touch with one of our recommended international tax advisors.

## | Will I Pay Capital Gains Tax When I Sell My French Property?

Capital gains tax (impôt sur les plus values) and social taxes (prélèvements sociaux) are payable on the sale of property in France if it has sold for profit. However, there are some exemptions, most notably:

- » No capital gains tax or social taxes are payable on the sale of your main residence (including land and outbuildings), as long as you have not been renting part of your property, in which case only a pro-rata value is exempt;
- » No capital gains tax is payable on a second home if you have owned the property for more than 22 years; no social taxes are payable on a second home if you have owned the property for more than 30 years;
- » No capital gains tax is payable on property sales under €15,000.

Note: there are other exemptions and applicable conditions that are outside of the scope of this particular subject. You can check any rules relating to capital gains with your notaire.



## | How Much is Capital Gains Tax in France?

Capital gains in France are subject to both CGT tax at a flat rate of 19% and social taxes at a flat rate of 17.2% – a total of 36.2%. However, there are also allowances to take into account, supplementary taxes payable on large capital gains, and a reduced rate of social taxes for EU and UK residents. In some circumstances, the total rate of CGT tax and social taxes may be 42.2%; in other cases, it may be 0%.

Let's take a look at the basic rates and allowances for CGT and social taxes.

### Income tax on Capital Gains in France

Income tax is charged at a flat rate of 19% on capital gains. However, there are allowances made depending on the length of time you have owned the property, known as the '*L'abattement pour durée de détention pour l'impôt sur le revenu*' in France. After 22 years, your property sale will no longer be subject to capital gains tax.

If you have owned your second home:

- ° Up to five years: there is no allowance, and you will be subject to the full 19% capital gains tax rate
- ° Between six and 21 years: there is a progressive allowance increased by 6% each year up to a maximum of 96%
- ° 22 years or more: 100% (i.e. you won't pay any capital gains tax)



## Social Taxes on Capital Gains in France

French social taxes on asset income and capital gains are calculated based on three different rates with a maximum total of **17.2%**:

- CSG (*Contribution sociale généralisée* or Generalized social contribution) - **9.2%/0%**
- CRDS (*Contribution pour le remboursement de la dette sociale* or Contribution to the repayment of social debt) - **0.5%/0%**
- Prélèvement de Solidarité (Solidarity tax) - **7.5%**

The full rates apply to property owners who are resident in France or non-EU residents. However, EU/EEA residents and UK residents after Brexit are only subject to the 7.5% social taxes (conditions apply; see the chapter Understanding French Social Contributions earlier in this guide).

Social taxes are also subject to reductions depending on the length of time you have owned the property, with a complete exoneration after 30 years.

If you have owned your second home:

- Up to five years: there is no allowance, and you will be subject to the full rate of social taxes
- Between six and 21 years: there is a progressive allowance increased by 1.65% each year up to a maximum of 26.40%.
- For the 22nd year of ownership: there is a + 1.60% increase
- Between 22 years and 19 years: there is a progressive allowance increased by 9% each year up to a maximum of 91%
- 30 years or more: 100% (i.e. you won't pay any social taxes on your capital gains)

See a full chart of these allowances below on the next page:

### Capital Gains Tax Allowances by Period of Ownership

| Period of Ownership | Capital Gains Tax Allowance | Social Charges Allowance |
|---------------------|-----------------------------|--------------------------|
| 1 Year              | 0%                          | 0%                       |
| 2 Years             | 0%                          | 0%                       |
| 3 Years             | 0%                          | 0%                       |
| 4 Years             | 0%                          | 0%                       |
| 5 Years             | 0%                          | 0%                       |
| 6 Years             | 6%                          | 1.65%                    |
| 7 Years             | 12%                         | 3.30%                    |
| 8 Years             | 18%                         | 4.95%                    |
| 9 Years             | 24%                         | 6.60%                    |
| 10 Years            | 30%                         | 8.25%                    |
| 11 Years            | 36%                         | 9.90%                    |
| 12 Years            | 42%                         | 11.55%                   |
| 13 Years            | 48%                         | 13.20%                   |
| 14 Years            | 54%                         | 14.85%                   |
| 15 Years            | 60%                         | 16.50%                   |
| 16 Years            | 66%                         | 18.15%                   |

| Period of Ownership | Capital Gains Tax Allowance | Social Charges Allowance |
|---------------------|-----------------------------|--------------------------|
| 17 Years            | 72%                         | 19.80%                   |
| 18 Years            | 78%                         | 21.45%                   |
| 19 Years            | 84%                         | 23.1%                    |
| 20 Years            | 90%                         | 24.75%                   |
| 21 Years            | 96%                         | 26.40%                   |
| 22 Years            | 100%                        | 28%                      |
| 23 Years            | N/A                         | 37%                      |
| 24 Years            | N/A                         | 46%                      |
| 25 Years            | N/A                         | 55%                      |
| 26 Years            | N/A                         | 64%                      |
| 27 Years            | N/A                         | 73%                      |
| 28 Years            | N/A                         | 82%                      |
| 29 Years            | N/A                         | 91%                      |
| 30+ Years           | N/A                         | 100%                     |

### Supplementary taxes

Supplementary taxes are also charged on top of the basic rate of CGT and social taxes in the event of larger profits - capital gains of more than €50,000.

- For capital gains between €50,000 and €100,000, you will pay an extra 2%
- For capital gains between €100,000 and €150,000, you will pay an extra 3%
- For capital gains between €150,000 and €200,000, you will pay an extra 4%
- For capital gains between €200,000 and €250,000, you will pay an extra 5%
- For capital gains of more than €250,000, you will pay an extra 6%

### How is individual capital gains tax calculated in France?

French capital gains tax rates and social taxes are calculated based on:

- Your country of residence for tax purposes (more about this later on)
- The amount of capital gain (i.e. the amount of profit)
- Any exemptions or allowances you are entitled to (such as the allowances for the duration of ownership as detailed above)
- Any supplementary taxes that you may be subject to (as detailed above)

### How is the gain calculated on a French property sale?

The above capital gains tax and social taxes are applied to the 'gross gain' made on your sale; in other words, the amount of profit you made. This figure is decided by taking the difference between the acquisition price (the price you paid for the property including additional charges, notaire's fees, or VAT, where relevant) and the transfer price (the price at which you sold the property), minus any sales costs and VAT.

There are also possible deductions of 7.5% for acquisition costs, improvements and qualifying loan interest, but all of these are subject to conditions, and proof must be provided. Due to the above-mentioned allowances, the net capital gains amount subject to income tax may be different from the net capital gains amount subject to social taxes.

*Please note that in the 2025 Finance Law (Budget), the rules of calculating capital gains tax on furnished rental properties has changed. Previously, for those using the Réel regime, amortizing the value of their property in the financial accounts each year of activity, the capital gain for non-professional landlords was based on the difference between the purchase price and resale*



value.

*However, from February 2025, the annual depreciation offset in the annual accounts (from the amortization of the value of the property) is now reintegrated into the calculation - meaning that we look at the book value (depreciated value) instead of the original purchase price, thus creating a higher overall gain on which the progressive scale is applied.*

As you are probably starting to realise by now, the calculation of capital gains tax in France is extremely complicated, and there are also additional deductions and conditions that you may need to consider that are not covered in this guide.

### Estimate your capital gains tax liabilities in France

The above figures are a good place to start when estimating your CGT liabilities, but with so many different factors at play they may not provide the full picture. When selling your property, your notaire will be responsible for calculating any capital gains taxes owed and will be able to advise you on any allow-

ances or exemptions. Prior to meeting with a notaire, you could also run a simulation at [Notaires.fr](https://www.notaires.fr).

For more specific advice on your situation, especially if you are dealing with multiple properties or have international property assets, it's highly recommended to seek professional advice. See our list of international tax advisors on our website for our recommendations.

### | Do I need to pay capital gains tax in France as a non-resident?

Yes. If you own a second home or holiday home in France, you will be liable for capital gains tax in France when you sell your property, even if you are tax resident in another country.

**Non-residents are charged the same 19% flat-rate tax as residents.**

**Non-residents are also subject to the same 17.2% social taxes as residents.**

However, there is an important exception for residents of EU and EEA countries, as well as the UK post-Brexit. Residents of these countries who are affiliated with an EU/EEA/UK social security regime will be exempt from the CSG/CRDS taxes. They will, however, still pay the 7.5% solidarity tax.

### Capital Gains for UK citizens and residents post-Brexit

Despite some confusion over this rule for UK sellers post-Brexit, it has now been confirmed that UK residents who meet the conditions will still qualify for the CSG/CRDS exemption, as indicated earlier in the Understanding French Social Contributions chapter.

The CSG/CRDS exemption also applies to UK, EU, or EEA retirees who are resident in France but are not affiliated to the French social security system - i.e. residents in receipt of an S1 certificate.

## How is individual capital gains tax calculated in France

Whether or not you will also be subject to capital gains tax in your home country will depend upon whether there is a double tax treaty between your country and France. Most countries, including the EU, the UK, and the United States, have double-tax treaties in place, allowing full or partial relief from capital gains tax in your own country.

However, it's essential to understand your liabilities in both countries before proceeding with a sale and be sure that you check whether both the French tax and social taxes can be offset against tax liabilities in your home country. For example, UK residents are liable for capital gains taxes in the UK; however, CGT payments and the 7.5% prélèvement

de solidarité made in France can be offset against your UK tax liabilities (however, any other social taxes incurred may not be offset in the UK). If the tax liability in the UK is greater than that of France, you will be required to pay the difference. If the tax liability is lower in the UK than that of France, you will still be required to pay the full amount in France.

The general rule of thumb is that while you won't pay CGT taxes twice, you will normally end up paying the higher of the two rates.

## Do I need to pay capital gains tax in France on the sale of my UK or US property?

If you are resident in France and sell a second home in the US, UK, or another country, it's important to note that you will also be subject to French capital gains. However, similar to selling your French property as a non-resident, you will typically receive a tax credit in France from your property sold overseas.

This depends upon the double-tax treaty between the two countries,

### Paying Capital Gains Tax in France

All property sales in France must go through a notaire, and it will be the notaire's responsibility to calculate the capital gains tax due. They will withhold the amount due at the time of the sale and ensure that all taxes and social taxes are paid on your behalf. If you are not resident in France and live outside of the EU, Iceland, or Norway, you must also employ a fiscal representative accredited by the French Tax Authority, who will be responsible for your capital gains tax declaration.

If you sell a property abroad, you may find that the French notaire is not



willing to draw up the capital gains declaration, as the French notaire cannot guarantee the values you will have given relating to purchase price, improvements and resale value. You can ask for assistance at your local French tax office, but to give you a brief guideline, you would need to complete and file the declaration 2048-IMMO within one month of selling your property. This declaration needs to be filed with the local tax office

to your place of residency and, if there is any tax to pay, you have to send a cheque to pay the tax at the same time. The value of any taxable gain must be declared in the tax return the following year. Where you have already paid the tax, no further tax is due; however, if for any reason you did not file the 2048-IMMO, you will be charged the capital gains tax + penalties once the tax return has been processed.

---

# France Tax Calendar: all the key dates for your diary

***\*UPDATED FOR 2025\****

---

# France Tax Calendar



From annual income tax declarations to property taxes—if you live in France or own property in France, you will receive your fair share of tax bills throughout the year. It is your responsibility to make sure you file your tax return and pay your taxes on time in France, and there are penalties if you miss the deadlines.

To help you plan and prepare, our 2025 France tax calendar has all the key dates for your diary.

## |The French Tax Year

The French financial year runs from January to December, along with the calendar year. This means that in 2025, you will be filing returns for the financial year that ran from January 1st, 2024, to December 31st, 2024.

## | The French Calendar

Below are the key dates for your 2025 tax declarations and payments in France. Note that in France, there isn't a national deadline for annual tax declarations; instead deadlines are staggered based on the French department in which you are resident. While the exact dates change each year, they will typically fall within a week or so of the past year's deadline, so this calendar also serves as a good general guide.

**Important!** The below dates should serve as a guide only - always follow the instructions and deadlines listed on your tax bills.

### *April 10th, 2025: Income Tax Declarations Open*

The online platform to submit your annual déclaration des revenus (income tax declaration) opens. You can now submit your tax declaration online and you will have 6 to 8 weeks in which to do so. Paper forms are also released around the same time.

### *May 20th, 2025: Income Tax Postal Deadline*

If you are submitting your tax declaration by post or filing your first income tax return (which must be submitted by post), this is the national deadline. Your tax bill or Avis d'Imposition (tax notice) will be posted to you within a few months.

### *May 23rd, 2025: Income Tax Online Deadline 1*

This is the deadline for overseas residents or French residents who live in départements 1-19 for submitting your tax declaration online. Your tax bill or Avis d'Imposition (tax notice) will be available online within a few months.

### *May 28th, 2025: Income Tax Online Deadline 2*

This is the deadline for French residents who live in départements 20-54 for submitting their tax declaration online. Your tax bill or Avis d'Imposition (tax notice) will be available online within a few months.

### *June 5th, 2025: Income Tax Online Deadline 3*

This is the deadline for French residents who live in départements 55-101 and French overseas territories for submitting their tax declaration online. Your tax bill or Avis d'Imposition (tax notice) will be available online within a few months.

### *June 30th, 2025: Declaration d'Occupation + Monthly Payments*

If you wish to pay your property taxes (taxe d'habitation and/or taxe foncière) by monthly instalments rather than in one single payment, you must register online by this date.

This is also the deadline for the new Declaration d'occupation form that all property owners in France must fill in if they didn't already fill one in the previous year (or if there are any changes relating to who occupies the property).

***mid-August, 2025: Taxe Foncière Bills Available Online***

If you own property in France and have elected to receive your tax bills online, this is the date that your taxe foncière bill will be available to view online.

***August, 2025: Taxe Foncière Bills Sent Out By Post***

If you own property in France and have elected to receive your tax bills by post, this is the date that your taxe foncière bill will be sent out.

***From October, 2025: Taxe d'Habitation Bills Sent Out***

If you own a second home in France, your taxe d'habitation bill will be sent out or available to view online (depending on the option you have elected) from this day onwards. French residents no longer pay the Taxe d'Habitation on their primary residence.

***mid- October, 2025: Taxe Foncière postal deadline***

If you opt to pay your Taxe Foncière by post, this is the deadline for payments.

***mid- October , 2025: Taxe Foncière online deadline***

If you opt to pay your Taxe Foncière online, this is the deadline for payments.

***mid- November, 2025: Taxe d'Habitation postal deadline***

If you opt to pay your Taxe d'Habitation by post, this is the deadline for payments.

***mid November , 2025: Taxe d'Habitation online deadline***

If you opt to pay your Taxe d'Habitation online, this is the deadline for payments.

***mid-December, 2025: Income Tax Amendments***

This is the final date for any amendments to be made to your income tax return.

***mid-December, 2025: TLV or THLV Tax***

If you own a vacant property subject to TLV or THLV taxes, this is the date for payments by post.



## | How being a FrenchEntrée+ or VIP Member can help

As an Entrée+ Member, your dedicated Property & Relocation Advisor will put together a personalised RoadMap detailing all the steps that you need to take to make your dream of moving to France a reality.

Not only that, but they can recommend professional advisors and specialists to handle all of your additional needs, whether that's international tax advice, estate planning, or a French immigration lawyer.

If you want even more of a helping hand, get in touch about our VIP member service, and we'll put together a custom-made quote covering everything that you need to make your move to France a breeze.

