

TAX RATES | 2018 FRANCE

A	Companies
1	Resident companies <ul style="list-style-type: none"> Corporate tax rates <ul style="list-style-type: none"> ■ 33.33% standard rate ■ 28% reduced rate profits up to EUR 500,000 realized by SMEs; 3.3% social surcharge on corporate tax exceeding EUR 763,000 (except for SMEs whose turnover is less than EUR 7,630,000) ■ 10.7% temporary surcharge on corporate tax for companies whose turnover exceeds EUR 250 million, until 30 December 2016 ■ 15% reduced rate for SMEs on the first EUR 38,120 of taxable profits For tax year 2018, a one-off surtax is levied on corporate income tax due (before offsetting of any tax credits): <ul style="list-style-type: none"> - for companies with a turnover exceeding EUR 1 billion but below EUR 1.1 billion: 15% multiplied by the ratio [(turnover – EUR 1 billion) / EUR 100 million]; and - for companies with a turnover exceeding EUR 3 billion but below EUR 3.1 billion: 15% multiplied by the ratio [(turnover – EUR 3 billion) / EUR 100 million] Tax base <ul style="list-style-type: none"> ■ Territorial (worldwide active and passive income received by establishments located in France only) Capital gains <ul style="list-style-type: none"> ■ Part of business income ■ 19% on sale of shares in listed real estate companies ■ 15% on long-term gains per specific regimes ■ Participation exemption available
B	Individuals
1	Resident individuals <ul style="list-style-type: none"> Income tax rates <ul style="list-style-type: none"> ■ Progressive ■ Top rate 45% (over EUR 153,783) additional contribution over EUR 250,000 Capital gains <ul style="list-style-type: none"> ■ Yes, exemptions for general/specific regimes apply



2 Non-resident individuals

Income tax rates

- French-source income same rates as residents special rules if one or more dwellings in France and no French-source income

Capital gains

(sale of shares in resident companies)

- 45% if substantial participation (above 25% of rights in profit), progressive exemptions apply
- Shares in real estate company: 19% + 15.5% (75% withholding tax is applied to gains realized by a resident of a non-cooperative jurisdiction)

Final withholding tax rates

Employment income

Dividends

- Regular wage withholding applies
- 30%
- 21% (if received by residents of EEA) (75% withholding tax is applied to dividends distributed to residents of a NCST, unless a tax treaty provides a lower rate)

Interest

- 0%
- 75% withholding tax is applied to interest paid to residents of a NCST,

B Individuals

2 Non-resident individuals

Royalties

- 33.33%
- 15% for artistes and sportsmen
- (75% withholding tax is applied to dividends distributed to residents of a NCST, unless a tax treaty provides a lower rate)

Fees (technical)

- 33.33%
- (75% withholding tax is applied to fees paid to residents of a NCST, unless a tax treaty provides a lower rate)

Fees (directors)

- 33.33%
- (75% withholding tax is applied to fees paid to residents of a NCST,

C Turnover taxes

VAT/GST (standard)

VAT/GST (reduced)

- 20% (different rates apply in the overseas departments)
- 0%, 2.1%, 5.5%, 10%
0.9%, 2.1%, 10%, 13% on certain goods/services (Corsica) (different rates apply in the overseas departments)

VAT/GST (increased)

- No