



French Taxes and Immigration Planning



JOUANJAN & PARTNERS - AVOCATS

A FRENCH TAX FIRM

ANNECY - MARSEILLE



I. PAYE

Income Tax withheld at source

- Starts 2019
- Applies to all
- 2018 = « White Year »
- Extraordinary Income : not so « white »



I. Minimum WHT for NRs

- Before 2020: complicated
- Starting 2020: PAYE with Minimum Tax Rate
- 20% - 30%

I. FLAT TAX ON CG : 30% ?

➔ 30% for us = 12,8% + 17,2%

- Passive income, gains on shares, life-insurance
- Not for rental income or gains on Pty
- Possible to opt out

➔ For you: 12,8% (subject to DTTs)



I. Social Contributions Rental Income & Gains on PTY

- May apply to some French residents
- Reduced rate for EU residents : 7,5% vs 17,2%
- Sometimes NRs must pay them and ask for a refund
- USA eventually recognised soc Cont as taxes (DTT)



I. Real Estate Wealth Tax

IFI: PROPERTY ONLY

- Over 1,3MEUR
- Pty owned directly or indirectly
- Professional assets exempted
- Be careful about debt deductions (rules changed)
- For non-residents: French assets only
- Play with DTTs

II. Corporate Tax Rates Go Down

Profit / year	2020	2021	2022
Up to 38k€ (SMEs only)	15%	15%	15%
Over 38keur	28%	26,5	25%



III. Tax Disputes Made Easy?



Abuse of Law

- New definition: Main purpose vs. Exclusive purpose



Allowable Mistakes

- Pay now, get a discount
- Very restricted
- CE 9e-10e ch. 18-3-2019 n° 410573, Sté Ediprint



IV. Pre-immigration planning

- Keep your trust?
- Sell your house?
- Make Gifts?
- Realize your gains/Keep your losses
- Watch out for double CGT!
- « Impatriate regime »
 - 30-50% exemption – 8 years max