

French Tax Rates 2012

Income Tax Scale applicable to 2011 Income

Impôt sur le revenu

| Band of Income (€) | | Tax Rates (%) | |
|--------------------|----|---------------|-------|
| Up | to | 5,963 | 0.00 |
| 5,963 | to | 11,896 | 5.50 |
| 11,896 | to | 26,420 | 14.00 |
| 26,420 | to | 70,830 | 30.00 |
| In excess of | | 70,830 | 41.00 |

The rates have been frozen from last year, ignoring the normal indexation. Pensions and salaried income receive an allowance of 10% up to a maximum of €3,660 for pensions and €14,157 for salaried income. There is an age allowance for those over 65 with an income lower than €22,930. The above is then divided into the number of "parts" of the household, further reducing your income tax liability.

Tax for high earners (per person declaring in common):

| | | Tax Rates (%) | |
|--------------|----|---------------|------|
| 250,000 | to | 500,000 | 3.00 |
| In excess of | | 500,000 | 4.00 |

2012 Wealth Tax Scale and Limit

Impôt sur la fortune

On value of estate on 1st January, payable in June

| Taxable Wealth (€) | | Tax Rates (%) | |
|--------------------|----|---------------|------|
| Up | to | 1,300,000 | 0.00 |
| 1,300,000 | to | 3,000,000 | 0.25 |
| In excess of | | 3,000,000 | 0.50 |

Whole amount is taxable at highest rate.

There are allowable deductions for wealth tax, such as 30% of the value of your principal residence. Reduction calculation available for those just over the thresholds.

Capital Gains Tax

Impôt sur les plus-values

Gains are generally taxed at 19%. This tax is not applicable to a principal residence. For non EU citizens selling property, the rate is 33½% and 50% for those in non cooperating countries. Investment property can now only be sold free of Capital Gains Tax after 30 years instead of 15 years as before (from 1st February 2012).



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Inheritance Tax Rates

Droits de succession

Applicable from 1 January 2009 the bands and allowances will be indexed for inflation and unlike income tax, this has been applied. The rates shown are per beneficiary.

Between Spouses

Further to the Loi No. 2007-1223 from 22 August 2007 transfers between spouses or members of a PACS agreement are no longer subject to French inheritance tax on the death of a partner. However, inheritance tax on lifetime gifts remains and the following rates apply, after a tax-free allowance of €80,724:

| Band of Value (€) | | Tax Rates (%) | |
|-------------------|----|---------------|-------|
| Less than | | 8,072 | 5.00 |
| 8,072 | to | 15,932 | 10.00 |
| 15,932 | to | 31,865 | 15.00 |
| 31,865 | to | 552,324 | 20.00 |
| 552,324 | to | 902,838 | 30.00 |
| 902,838 | to | 1,805,677 | 40.00 |
| In excess of | | 1,805,677 | 45.00 |

Between Parents and Children

| Band of Value (€) | | Tax Rates (%) | |
|-------------------|----|---------------|-------|
| Less than | | 159,325 | 0.00 |
| The next | | 8,072 | 5.00 |
| 8,072 | to | 12,109 | 10.00 |
| 12,109 | to | 15,932 | 15.00 |
| 15,932 | to | 552,324 | 20.00 |
| 552,324 | to | 902,838 | 30.00 |
| 902,838 | to | 1,805,677 | 40.00 |
| In excess of | | 1,805,677 | 45.00 |

Grand-Parents (€)

The gift tax allowance for a lifetime gifts from a grand-parent to a grandchild is €31865. It is fixed at €5,310 for lifetime gifts made by a great-grandparent.

Between siblings (€)

| | | |
|-----------|---------|--------|
| Less than | *15,932 | 0.00% |
| The next | 24,430 | 35.00% |
| Over | 24,430 | 45.00% |

* Where the siblings were living together 5 years before death and the deceased was disabled, the tax free allowance increases.

Between other relatives (to 4th degree) (€)

| | | |
|-----------|-------|--------|
| Less than | 7,967 | 0.00% |
| Over | 7,967 | 55.00% |

Between unrelated persons (€)

| | | |
|-----------|-------|--------|
| Less than | 1,594 | 0.00% |
| Over | 1,594 | 60.00% |

This information was current as of 30th December 2011