



Dear client,

It's the time of the year to prepare your 2025 French tax return.

To be able to prepare it, I will need you to put together the following information:

- **Your 2025 French income only** (salary, pension, interest, dividend, rental income with the property address...) with the evidence and change of situation (use the attached questionnaire). **The clients who have already returned to us the P&L information on their French holiday let don't need to give us any further details of this particular property(ies).**

- **Only for professionals with Micro or Auto-Entrepreneur businesses** Professional income should be divided into 2 categories: Labour or service and Material (or only one if you don't provide Material) (*individuals without professional Micro or Auto-Entrepreneur aren't concerned*). I will need copy of URSSAF monthly or quarterly returns.

Please prepare and send us all the information required to check them **before the 21st of April 2026** so that I have the time to come back to you if necessary.



● **To guarantee the submission of your personal tax return in the required time, you must give us the pre-printed tax return you should receive from Mid-April 2025 called "Déclaration de revenus préremplie 2025" (does not apply to people who are making their first French tax return).**

Like every year, please find the main changes for non-residents.

Some good news:

- a) TV Licence been cancelled for all individual, resident or non-resident, for all French property with or without letting income. So, this is a saving of 138 euros that started in 2022.
- b) UK non-resident can start again to benefit from the lower rate of Social Contribution Tax (CSG CRDS). See paragraphe 2

Some bad news:

- c) Non-resident individuals are not concern by the exemption of "Taxe d'Habitation". The exemption only concerns the main resident for French tax resident.
- d) Furnished letting long-term or holiday lets tax rules will change in 2025**
- e) The social contribution increases from 17,20 % to 18,60 %**

Update of the previous year's information's:

1. Minimum tax rate set at 20% up to 29 579 € and 30% above

Rental income (rental income unfurnished or furnished) and other income taxed in the BIC (commercial/industrial profit), BNC (intellectual profit), BA (agriculture profit) * categories are subjected to a minimum tax rate when collected by non-residents (accordingly to the

application of international tax treaties). Set at 20% until 2018, will now have a threshold of maximum 29 579 € application on 2025 net taxable income and 30 % above.

Thresholds of revenues collected in 2025	2025 Income tax rate	
	French source income	DOM source income
From 0 € to 29 579 €	20%	14,4%
Above to 29 579 €	30%	20%

The threshold of € 29 579 corresponds to the upper limit of the second bracket of the income tax schedule for French tax residents.

* Industrial and commercial profits, non-commercial profits and agricultural profits

2. CSG-CRDS partial exemption limited to European non-residents

Non-residents affiliated with another social security scheme within the European Economic Area and Switzerland are exempted from CSG-CRDS on rental income and property capital gains from French sources.

However, the last remains subjected to the Solidarity Levy on income from property and investment products at a set rate of 7.50%. (Art 26 LFSS 2019) instead of 17.20%. Other non-residents not concerned by this exemption are subjected to social security contributions at a rate of 18,60% on the rental income they receive since January 1, 2018, and the property capital gains, they realized since January 1, 2019. **Since 1st January 2022, the UK has now left the European Economic Area but after one year of been charged with the higher rate, they can benefit again from the lower rate.**

Comparative table

	Rental income received in 2017, taxable in 2018	Rental income received from 2019, taxable in 2019	
Tax residence	For all the non-resident	Tax resident in an EU country or Swiss or UK	Résidents out of the EEE* and out of Switzerland or UK
Prélèvements sociaux rate	18,60%	7,5%	18,60%

* Austria, Belgium, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Czech Republic, Romania, Slovakia, Slovenia, Sweden.

3. The updated salary and pension tax schedule

From 2023 this category of income will be taxed at source under the resident table that has changed from 1st January 2025:

Rate applicable	Annual income by tranche	Monthly income by tranche
0%	Less than 17 122 euros	Less than 1 427 euros
12%	From 17 122 euros to 49 667 euros	From 1 427 euros to 4 139 euros
20%	Above 49 667 euros	Above 4 139 euros

4. Do you have a SEPA bank account to pay your taxes?

Non-residents subjected to withholding tax on some of their income (rental income for example), must have a bank account to SEPA standards so that the tax Levy is made.

If you have difficulties opening a bank account, the Banque de France indicates the procedure to follow on its website or contact us.

5. Your French dividend will be subjected to withholding tax of 12.8%

Following CumCum and CumEx files' scandals, the French legislator took measures to limit tax avoidance mounts in the context of dividend distributions.

As of July 1, 2019, French-source dividends distributed to non-residents will automatically be withheld at a rate of 12.8%, despite a different rate provided by an international tax treaty. This withholding tax is effective when the payment of dividends is made in the context of a temporary transfer for less than 45 days of the securities to which they are related to.

On the other hand, if the non-resident taxpayer proves he is the real beneficiary of the dividends and that the distribution of these dividends outside of France is not primarily intended to evade French tax, then the taxpayer may claim the application of the favorable rate provided in the tax treaty binding France to his country of expatriation.

(Article 36 of the Finance Act for 2019 introducing a new Article 119 bis A in the General Tax Code)

6. UK residents are now required to appoint a tax representative on the sale of their holiday home in France.

Since the UK finally left the EU at the end of last year, UK nationals not resident in France have ceased to benefit from the exemption to appoint a '*représentant fiscal*' on the sale of French real estate.

The obligation arises irrespective of whether you make a loss or a gain on the sale of the property.

The process is often very opaque and expensive for sellers, who need to be alert to it and to act with caution.

7. Wealth tax on property for non-resident called (Impôt sur la Fortune Immobilier IFI): You may be concern by this tax if the total value of your French properties owned is more than 1 300 000 euros. You need to consider all properties owned directly or indirectly (in your name or through a company or a trust). The value to consider is the property market value that can be reduce by the property debts like mortgage capital due, property taxes... Let us know if you believe that you are concerned.

8. Travelling in France after BREXIT

From 1 January 2021, British nationals will be subject to more thorough checks. Travelers from the UK are required to present themselves in advance at the border crossing point when travelling to the EU. At the border crossing, they will have to go through the "third-country national" queue, instead of the "EU / EEA / CH" queue.

They will need a long-stay visa if they wish to stay in France for more than 3 months.



For a shorter stay (maximum 90 days per period of 180 days) or transit to another Member State or the Schengen area, British nationals do not need a visa. They will need to:

- present their passport, which will be stamped on entry to and exit from the Schengen area;
- be able to prove that they have sufficient resources to support themselves during their stay;
- have an insurance certificate covering all medical, hospital, and death expenses likely to be incurred during their stay in France, including the cost of repatriation for medical reasons.

These conditions do not apply to British nationals and members of their families residing in France before 31 December 2020.

The special case of British nationals who own a secondary residence:

1) If they stay in France in their secondary residence for periods between 3 and 6 months, they will not be considered as having their main residence on French territory and will not be able to obtain a residence permit under the withdrawal agreement. They will therefore have to apply for a temporary long-stay VLS-T "visiteur" visa.

2) In the case of a stay of more than 6 months, the secondary residence becomes the main residence, at least for the current year. They will therefore have to apply for a long-stay visa with a residence permit VLS-TS "visiteur".

3) Other reasons to visit France:

a- British spouses of EU nationals wishing to settle or stay in France for more than 90 days (at the same time as their spouse or to join him or her) will be exempted from the visa requirement for settlement (in the application of European directive n°2004/38).

b- On other exception for UK nationals coming to France to carry out a paid activity for a stay ≤ 90 days will benefit from a short stay visa exemption. A work permit will be required, except for the exercise of certain activities (sports, cultural and scientific events, seminars and trade fairs, production and distribution of shows, cinematographic or audiovisual works, modelling, auditing and expertise missions in IT, management, finance, insurance, architecture and engineering). Please note: in case of a stay longer than 90 days, a long-stay visa will be required.

To obtain a visa you can check more information on the assistant of the official VISA website <https://france-visas.gouv.fr/web/france-visas/ai-je-besoin-d-un-visa>

9. New reporting obligation for property owners in 2023

All property owners have a new reporting obligation since 2023. All owners of residential property, individuals and companies, must declare the occupation of their homes on the "Manage my property" section of the impots.gouv.fr website (see previous year newsletter). If you haven't made that return, It is never too late to do it, if you have not done it last year. You don't need to do this return every year but **you need to update any user changes of your French property. Contact us if you need our assistance.**

10. Changes into the French furnished letting applicable from the 1st January 2025

Because of the property crisis the French government decided to increase the obligations and increase the taxes on the holiday letting income and on the sale of those property. The changes could have been worse like the initial's laws presented in April 2023 or what New York or



Barcelona have decided to stop converting those cities into huge hotels. These new rules were voted on the 20th November 2024.

A- What are the changes: Increase into the taxation of furnished letting

a) MICRO tax option

- The flat deduction for MICRO BIC on B&B or qualify holiday furnished letting (like the “Etoiles de France” or Gîte de France for example), will be reduce from 71 % to 50 % with a maximum turnover from 188 700 euros in 2024 to 77 700 euros from 2025.

- For the ordinary furnished letting under MICRO BIC will be reduce from 50 % to 30 % with the maximum turnover from 77 700 euros to 15 000 euros.

b) Profit & Loss account

The change is only on the capital gain, where the depreciation will now be considered in the calculation of the future gain. This means that you can still offset from your income the depreciation of the property (between 2 to 3.33 % per year maximum of the purchase value or market value) but when you will be selling the property, the value that will reduce the sale price will be the net value of the property (purchase value, less the depreciation). This will have an important impact if you sale the property before the full exemption of 22 years. As the capital gain rule of sale of secondary for individual will still be applicable on the property use for holiday let, so you will still benefit from the reduction into the capital gain after 5 years of owing the property to have a 100 % exemption of tax after 22 years. So, this will affect you in a short-term sale but not in the long term. I'm still waiting for the full application rules to find out if the depreciation is the one that been used to reduce income or the one practice in the accountancy books.

B- Obligation of energy performance diagnostic

This is for all new offer of property offer on furnished holiday let in tense area that request an authorization for change of use. Those properties will request this certificate to register furnished holiday let at the “Mairie” with a qualification at a minimum F in 2025 to E in 2028.

From 2034, all properties for tourism furnished letting will have to obtain a certificate between A to D. So, a 10 years delay is left to the owners to do all the necessary work to conform to the climate law called “loi Climat et Résilience de 2021”.

Main residence let for furnished holiday let or property located in “overseas territories” are not concerned.

At any time the “Mairie” will be able to claim a valid energy performance diagnostic certificate of his holiday let property.

The fine for non-respect of that law will be 5 000 euros maximum administrative fine. Power Increase of Mairie

All property needs to be register at the Mairie and this is not new. So, you should already be register for holiday/tourism furnished letting no matter if you are using main residence or secondary home (reminder). This is the same for all part of France, no matter if your property is located in small village or big city. But the application was only stamps by the Mairie, from the 20th May 2026, all property will have a registration number at the Mairie, like a permit, to have a better view and control on the application of the rules (fire security, energy performance regulation...). This will allow the Mairie to suspend the permit if a property is badly maintained. This will also allow Mairie to control the development and limit the number of properties offering holiday let, especially the town that have more than 20 % of secondary homes. From 2025, all Mairie will be able to limit the maximum letting days, to 90 days per year instead of 120 days today, for holiday purposes of main residence. In case of non-respect, then the owner may risk a fine of 15 000 euros.



The Mairie will have the possibility to apply 2 new fines:

- One for default of registration for a maximum of 10 000 euros
- One for false return or use of fake certificate for a maximum of 20 000 euros

C- Regulation of holiday let into co-ownership area

The new law allows the members of the co-ownership area of a residence to forbidden rental of apartment for holiday/tourism purposes with only the simple majority (this corresponds to 2/3 of the owners) instead of the full majority. But this only concern, the residence co-ownership that had a "clause" called "d'habitation bourgeoise". This is a clause that only allow use of permanent home (by the owner or with unfurnished long lease rental) and use of non-commercial self-employed "profession libérale" like consultant, nurse, doctor... All new co-ownership of new residence will have to say if they allow or not the possibility of making holiday/tourism furnished letting.

In any case, any new owner authorized to do holiday let in a residence will have to inform the "syndic" that manage the co-ownership area before starting is activity. This to avoid any issues with the other owned.

Thanks again for using my assistance this year and I hope that it will bring you complete satisfaction.

Contact me with any questions.

Best Regards

Sarah Vedrenne



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N.B.: For those of you who have already provided me with all or part of the information required, please note that it is still necessary to fill in the questionnaire to make sure that you have covered all the elements required and to give me the authority to do your return online.

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