

KEY FIGURES 2023

FOR ESTATE TAXATION

1. GIFT & INHERITANCE

Allowance on gifts and inheritances		
Beneficiary	Gift	Inheritance
Spouse or civil partner	€80,724	Exemption
Living or represented child	€100,000	€100,000
Grandchild	€31,865	€1,594
Great-grandchild	€5,310	€1,594
Direct ascendant	€100,000	€100,000
Siblings not subject to conditions	€15,932	€15,932
Siblings subject to conditions (CGI 796-0 ter)	€15,932	Exemption
Nephew and niece	€7,967	€7,967
Disabled heir (additional allowance)	€159,325	€159,325
In the absence of any other allowance	None	€1,594

The residual allowance available at the time of the transfer depends on the registered gifts made in the preceding 15 years.

Allowance of €31,865 on gifts of sums of money CGI art. 790 G
<ul style="list-style-type: none"> → For gifts of sums of money in full ownership → To children, grandchildren and great-grandchildren or, in the absence of direct descendants, to nephews and nieces, or to great-nephews and great-nieces by representation → By a donator under 80 years of age to a recipient over 18 years of age → Renewable every 15 years → Cumulative with the allowances listed on the left

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Taxation of direct line gifts and inheritances CGI art. 777		
Net taxable fraction	Rate	Calculation formula ⁽¹⁾
< €8,072	5%	$P \times 0.05$
Between €8,072 and €12,109	10%	$(P \times 0.10) - €404$
Between €12,109 and €15,932	15%	$(P \times 0.15) - €1,009$
Between €15,932 and €552,324	20%	$(P \times 0.20) - €1,806$
Between €552,324 and €902,838	30%	$(P \times 0.30) - €57,038$
Between €902,838 and €1,805,677	40%	$(P \times 0.40) - €147,322$
> €1,805,677	45%	$(P \times 0.45) - €237,606$

⁽¹⁾ P = Net taxable fraction

Taxation of inter vivos gifts between spouses and civil partners CGI art. 777		
Transfers by death are exempt		
Net taxable fraction	Rate	Calculation formula ⁽¹⁾
< €8,072	5%	$P \times 0.05$
Between €8,072 and €15,932	10%	$(P \times 0.10) - €404$
Between €15,932 and €31,865	15%	$(P \times 0.15) - €1,200$
Between €31,865 and €552,324	20%	$(P \times 0.20) - €2,793$
Between €552,324 and €902,838	30%	$(P \times 0.30) - €58,026$
Between €902,838 et €1,805,677	40%	$(P \times 0.40) - €148,310$
> €1,805,677	45%	$(P \times 0.45) - €238,594$

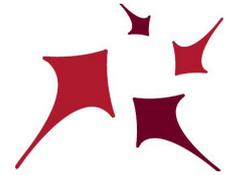
⁽¹⁾ P = Net taxable fraction

Taxation of gifts and inheritances between siblings CGI art. 777		
Net taxable fraction	Rate	Calculation formula ⁽¹⁾
Between 0 and €24,430	35%	$P \times 0.35$
>€24,430	45%	$(P \times 0.45) - €2,443$

⁽¹⁾ P = Net taxable fraction

Taxation of other gifts and inheritances CGI art. 777	
Degree of kinship	Rate
Between relatives up to and including the 4th degree of kinship	55%
Between relatives beyond the 4th degree of kinship	60%
Between non-relatives	60%

2. INCOME TAX



2023 Income tax CGI art. 197	
Taxable fraction	Rate
From 0 to €10,777	0%
From €10,778 to €27,478	11%
From €27,479 to €78,570	30%
From €78,571 to €168,994	41%
> €168,994	45%
+ CEHR where applicable, up to 4% (see CEHR box)	

Exceptional contribution on high incomes CEHR CGI art. 223 sexes		
Single person: fraction of the RFR ⁽¹⁾	Couple: fraction of the RFR ⁽¹⁾	Rate
From 0 to €250,000	From 0 to €500,000	0%
From €250,001 to €500,000	From €500,001 to €1,000,000	3%
> €500,000	> €1,000,000	4%
⁽¹⁾ Referral fiscal income (Revenu Fiscal de Référence)		

Dividends CGI art. 117 quater and 158 3.2°
<ul style="list-style-type: none"> → Flat-rate non-final withholding tax (PFNL) of 12.8% becoming final (except if option for the progressive income tax (IT) scale for all income subject to flat-rate taxation) + social security contributions (SSC) of 17.2% → If IT option: after 40% allowance, progressive IT scale + SSC of 17.2% on 100% of the dividend (and charging of PFNL with refund in the case of a surplus) → + CEHR where applicable, up to 4% (see CEHR box)

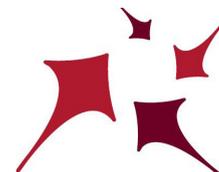
Interests CGI art. 125 A and 125 D
<ul style="list-style-type: none"> → Flat-rate non-final withholding tax (PFNL) of 12.8% becoming final (except if option for the progressive IT scale for all income subject to flat-rate taxation) + SSC of 17.2% → If IT option: taxation at the progressive IT scale + SSC of 17.2% (and charging of PFNL with refund in the case of a surplus) → + CEHR where applicable, up to 4% (see CEHR box)

Taxation of capital reductions in companies subject to corporation tax CGI art. 112	
Principle Capital reduction by repurchase, by the company, of securities forming part of the private estate of the individual shareholder. No French sharing tax	Taxation according to the regime of capital gains on disposal securities
Exception If the capital reduction does not involve any allocation to shareholder, since it results from losses	No taxation
Note In the event of company dissolution	The liquidation bonus is taxed at French sharing tax and comes under the investment income tax regime (flat-rate tax). According to case law, French sharing tax is not due on the repayment of capital (not included in the «BOFiP»).

Taxation of capital gains on disposals of movable properties CGI art. 150 UA and 150-0 A	
Sold assets	Taxation
Securities and corporate titles	<ul style="list-style-type: none"> → Flat-rate tax of 12.8% + social security contributions (SCC) of 17.2% → Or on global option for all income, taxation of the capital gain (CG) at the IT scale (after allowance where applicable, see box) + SSC of 17.2% on the CG before allowance → + CEHR where applicable, on the CG before allowance
Precious metals	<ul style="list-style-type: none"> → 11% of the sale price + social debt repayment contribution (CRDS) of 0.5% → or option for the regime of capital gains on movable properties
Jewellery, works of art, collectibles or antiques	<ul style="list-style-type: none"> → 6% of the sale price + CRDS 0.5% → or option for the regime of capital gains on movable properties
Other movables	Taxation of CG at 19% after a yearly 5% allowance starting on the 3rd year of holding + SCC of 17.2%

Allowances on capital gains from disposal of securities				
Fixed allowance €500,000 € CGI art. 150-0 D ter	Holding period allowances CGI art. 150-0 D			
Scope of application: <ul style="list-style-type: none"> → In the event of flat-rate taxation or at the progressive IT scale → No accumulation with the holding period allowance as per art. 150-0 D of the French CGI 	<ul style="list-style-type: none"> → Securities acquired or subscribed before 01/01/2018 → Only in the event of a global option for taxation at the progressive income tax scale for all income and capital gains on movable properties → Ordinary law allowance or allowance for SME of less than 10 years 			
	Ordinary law allowance		Allowance for SME of less than 10 years	
Conditions: <ul style="list-style-type: none"> → Transfer due to the retirement of an executive → Securities held for at least 1 year → Transfer between 01/01/2018 and 31/12/2024 	Holding period	Amount of the allowance	Holding period	Amount of the allowance
	From 0 to 2 years	0%	Less than 1 year	0%
	From 2 to 7 years	50%	From 1 to 3 years	50%
	8 years and over	65%	From 4 to 7 years	65%
			8 years and over	85%

3. LIFE INSURANCE



Taxation of life insurance policies upon the death of the policyholder ⁽¹⁾		
	Premiums paid	
	Before 13/10/1998	Since 13/10/1998
Policy taken out before 20/11/1991, including for payments after 70 years of age	Exemption	CGI art. 990 I
Policy taken out since 20/11/1991	Premiums paid before 70 years of age	Exemption
	Premiums paid after 70 years of age	CGI art. 757 B: inheritance tax according to the degree of kinship between insured and beneficiary, after an overall allowance of €30,500 ⁽²⁾

⁽¹⁾ Except for the sums paid to a spouse or civil partner, and siblings subject to conditions, tax-exempt
⁽²⁾ Death benefit and any allowances distributed between usufructuary and bare owner in accordance with art. 669 of the French CGI

Life insurance CGI art. 990 I ⁽¹⁾	
Taxation of each separate beneficiary of the same insured person, regardless of the degree of kinship	
Allowance «contrat vie génération» subject to conditions	20%
Allowance per beneficiary ⁽²⁾	€152,500
Tax rate	
→ From 0 to €700,000	→ 20%
→ Over €700,000	→ 31.25%

⁽¹⁾ Except for the sums paid to a spouse or civil partner, or siblings subject to conditions, tax-exempt
⁽²⁾ Death benefit and any allowances distributed between usufructuary and bare owner in accordance with art. 669 of the French CGI

Non-settled policy part of community property CIOT ministerial reply of 23/02/2016
If the policy was taken out with the spouses' funds which are part of community property and is not settled by death
→ In civil terms: it is a joint asset, half of which is dependent on the estate
→ In tax terms: the surrender value of the policy is not part of the assets of the estate for the calculation of the inheritance tax due by the heirs of the predeceased spouse

Taxation of life insurance policy redemptions excluding social security contributions CGI art. 125-0 A and 200 A			
Lenght of time since the policy was taken out	Income related to premiums paid before 27/09/2017	Income related to policies taken out since 27/09/2017 or to premiums paid since 27/09/2017 on policies taken out previously	
		Premiums < €150,000 ⁽¹⁾	Premiums > €150,000 ⁽¹⁾
< 4 years	35%	12.8%	12.8%
Between 4 and 8 years	15%	12.8%	12.8%
8 years and over ⁽²⁾	7.5%	7.5%	7.5% then 12.8% depending on the pro rata of art. 200 A of the French CGI

+ social security contributions (SSC) at the time the income is perceived on the policy or upon redemption + CEHR where applicable (see CEHR box)
⁽¹⁾ Premiums paid by the insured on all policies still open
⁽²⁾ After annual allowance of €4,600 for a single person and €9,200 for a couple, in accordance with specific imputation methods

4. PROPERTY DIVISION



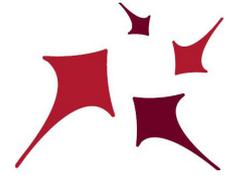
Determination of the value of the bare ownership and the usufruct for the registration fees (*droits d'enregistrement*) and the land registration tax (*taxe de publicité foncière*)

Lifetime usufruct CGI art. 669 I		
Age of the usufructuary	Usufruct	Bare-ownership
Under 21 years of age	90%	10%
Under 31 years of age	80%	20%
Under 41 years of age	70%	30%
Under 51 years of age	60%	40%
Under 61 years of age	50%	50%
Under 71 years of age	40%	60%
Under 81 years of age	30%	70%
Under 91 years of age	20%	80%
Over 91 years of age	10%	90%

Temporary usufruct CGI art. 669 II
The usufruct constituted for a fixed term is estimated 23% of the value of the full ownership for each 10-year period of the usufruct term, without fraction and without taking into account the age of the usufructuary.
The value so determined cannot exceed the value of the lifetime usufruct (see opposite), which is a maximum valuation.

Right of occupancy and use
The value of the right of occupancy and use = 60% of the value of the lifetime usufruct determined by article 669 I of the French CGI (see opposite).

5. WEALTH TAX ON REAL ESTATE (IFI)



Triggering threshold CGI art. 964
<ul style="list-style-type: none"> → Net taxable real estate assets as at 1 January > €1,300,000 → Assets held directly or indirectly, including life insurance policies, real estate investment companies (SCPI), private real estate companies (SCI), etc

Declaratory obligations CGI art. 982
<p>Taxpayers must:</p> <ul style="list-style-type: none"> → State the amount of the gross value and the net taxable value of their assets on the 2042-IFI declaration → Provide details on the composition and value of taxable assets in the annexes

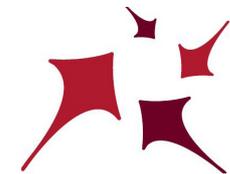
Reduction for gifts CGI art. 978
<p>The amount of the tax can be reduced by:</p> <ul style="list-style-type: none"> → 75% of gifts made → If the beneficiary is an organisation listed in art. 978 of the CGI → Within the limit of €50,000 per year

IFI tax scale CGI art. 977		
Taxable fraction	Rate	Calculation formula ⁽¹⁾
From 0 to €800,000	0%	
From €800,001 to €1,300,000	0.50%	$(P \times 0.005) - €4,000$
From €1,300,001 to €2,570,000	0.70%	$(P \times 0.007) - €6,600$
From €2,570,001 to €5,000,000	1%	$(P \times 0.01) - €14,310$
From €5,000,001 to €10,000,000	1.25%	$(P \times 0.0125) - €26,810$
> €10,000,000	1.50%	$(P \times 0.015) - €51,810$

⁽¹⁾ P = net taxable assets
If P is between €1,300,000 and €1,400,000: discount = 17,500 - 1.25% P

Capping mechanism CGI art. 979
<ul style="list-style-type: none"> → All the taxes paid by the taxpayer (IFI + IT + other income taxes + SSC) may not exceed 75% of the income received the previous year, including non-taxable capital gains (CG) → Failing this, the excess is deducted from the IFI

6. TRANSFER FOR VALUABLE CONSIDERATION



Registration fees due on the sale of buildings CGI art. 1594 D				
Location of the building	Departemental duty	Additional tax	FAR ⁽¹⁾	Overall rate
Indre (36) // Morbihan (56) // Mayotte (262)	3.80%	1.20%	2.37%	5.09%
Other departements	4.50%	1.20%	2.37%	5.81%

⁽¹⁾ Collection and recovery costs on departemental duty (Frais d'assiette et de recouvrement)

Registration fees due on transfers of securities CGI art. 726		
Sold assets	Rate	
Stock in listed companies	→ The sale of which is recorded by deed	0.1%
	→ The sale of which is not recorded by deed	0 %
Stock in unlisted companies	0.1%	
Company's shares	3% after an allowance, for each of the company's shares, equal to the ratio between €23,000 and the total number of shares	
Securities of companies that are mostly real estate	5% regardless of the type of company	