AN OVERVIEW:

TAXATION IN FRANCE FOR EXPATS

A snapshot of the taxation in France from the team at SJB Global.

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ARE YOU A FRENCH TAX RESIDENT?

You're treated as resident in France if any one of these is true:

your home or main stay is in France;
your main professional activity is in France (unless clearly ancillary);
or your centre of economic interests is in France.

These criteria are set in CGI art. 4 B and explained on Service-Public. Residents are taxed on worldwide income (subject to treaty relief).

HOW FRENCH INCOME TAX IS CALCULATED

France uses a progressive scale per household "parts" (quotient familial).

For 2025 declarations (income 2024) the bands per part are:

- Up to €11,497: 0%
- €11,498–€29,315: 11%
- €29,316–€83,823: 30%
- €83,824–€180,294: 41%
- Over €180,294: 45%

Withholding at source (PAS). Tax is withheld monthly and reconciled after you file in spring. From September 2025, individualised rates become the default for married/PACS couples (you can opt out).

Filing window (2025) opened 10 April 2025; online deadlines ran 22 May / 28 May / 5 June 2025 by département.

EXTRA HIGH-INCOME LEVIES (RESIDENTS)

CEHR (Contribution exceptionnelle sur les hauts revenus): 3%–4% on the portion of Revenu Fiscal de Référence (RFR) above €250k single / €500k couple.

New 2025 CDHR (contribution différentielle): ensures a minimum effective 20% tax for those above the same thresholds (with a smoothing mechanism).

SOCIAL CHARGES (“PRÉLÈVEMENTS SOCIAUX”)

on investment & rental income:

Standard composite rate for residents is 17.2% (CSG 9.9% + CRDS 0.5% + prélèvement de solidarité 7.5%). Some exemptions apply.

Important EU/UK S1 rule. If you’re resident in France but affiliated to another EU/EEA/Swiss state’s social security (including qualifying UK affiliation post-Brexit), you’re exempt from CSG-CRDS on investment/rental income; the 7.5% solidarity levy still applies.

SALARY, PENSIONS & POPULAR INCOME TYPES

1 Employment income:

Taxed at the progressive scale. Withholding applies via your employer; you can update your rate during the year if your situation changes.

2 Pensions:

Generally taxable in France for residents unless a tax treaty assigns taxation to the source state (e.g., many government service pensions). French law also has a 10% pension abatement (caps/conditions apply—see your tax notice). Check your treaty.

3 Dividends, interest, capital gains on shares:

France's flat tax (PFU) is 30% = 12.8% income tax + 17.2% social charges; you may elect the progressive scale instead.

RENTAL INCOME (RESIDENT LANDLORDS)

Unfurnished (revenus fonciers):

Micro-foncier applies automatically when gross annual rents ≤ €15,000 30% abatement; beyond that (or on option), you use the réel regime (actual costs).

Furnished (location meublée):

Regimes and thresholds changed recently; for certain meublés de tourisme non classés, the micro regime ceiling is €15,000 (from 2025); otherwise standard micro-BIC/BNC thresholds apply (e.g., €77,700 for many services). Always verify your category and year.

Social charges: 17.2% standard (see S1 note above).

CAPITAL GAINS

Real estate (residents):

- Tax: 19% income tax + 17.2% social charges (subject to holding-period abatements).
- Exemptions: Main home is fully exempt if conditions are met.
- Holding abatements: Income-tax portion fully exempt after 22 years; social charges fully exempt after 30 years.
- High-gain surcharge applies above €50,000 of taxable gain.

Securities (shares/funds):

- Flat tax (PFU) 30% by default; option for progressive scale possible.

WEALTH TAX ON REAL ESTATE (IFI)

Applies if your net French/worldwide real estate (depending on residency/treaty) exceeds €1.3 m on 1 January.

Rates are as follows:

- €0.8–1.3 m: 0.50%
- €1.3–2.57 m: 0.70%
- €2.57–5 m: 1.00%
- €5–10 m: 1.25%
- Over €10 m: 1.50%
  (With a decote just above the entry threshold)

LOCAL PROPERTY TAXES

Taxe foncière (owners):

Based on the property's cadastral rental value × local rates; due by the person who owned on 1 January. Annual base values are revalued; local councils may change rates.

Taxe d'habitation:

Abolished for principal residences since 1 January 2023, still due on second homes, often with local surcharges in "zones tendues."



INHERITANCE & GIFT TAX (SUCCESSION/DONATION)

- Spouse/PACS: Exempt from inheritance tax.
- Children/parents: €100,000 allowance per link; progressive bands 5% - 45%.
- Siblings: allowance €15,932, bands 35%/45%.
- Others: 60%.

2025 law also introduced a new temporary donation exemption (under conditions) for funds used to buy/renovate a principal residence. Worldwide reach can apply where either the deceased or the heir has been resident in France (conditions apply).

BUSINESS/CORPORATE RATES

Corporation tax (IS):

- 25% standard rate (2025)

Local business taxes continue to evolve (e.g., CVAE phase-out); check your adviser if you run a French company.

DOUBLE-TAX TREATIES (UK, US & OTHERS)

France has a wide treaty network that prevents double taxation and often assigns who taxes pensions, salaries, interest/dividends, and gains. Where income is exempt in France by treaty, it may still be used in France to set your taux effectif (effective rate) on other income; when taxed in France, a credit may relieve foreign tax already paid. Always apply the relevant treaty articles and declare via Form 2047 as needed.

Example (UK–France): Private pensions are typically taxable in the state of residence; many government service pensions are taxed by the paying state (subject to nationality rules). Check the 2008 treaty text and notes.

PRACTICAL CHECKLIST FOR EXPAT RESIDENTS

1. **Confirm residency**
   (CGI 4 B tests) and audit treaty tie-breakers if you have ties to another country.

2. **Choose PFU vs progressive**
   each year for investment income based on which is cheaper overall.

3. **Consider S1 status**
   EU/EEA/Swiss/UK affiliation) to avoid CSG-CRDS on investment income if eligible.

4. **Pick the right rental regime**
   (micro vs réel) and watch the changed thresholds for furnished lets.

5. **Track IFI**
   if real-estate net worth nears €1.3 m.

6. **Mind filing dates**
   and your PAS rate (individualised by default from Sept 2025).

QUICK-REFERENCE: HEADLINE 2025 RATES

- Income tax bands (per part): 0% / 11% / 30% / 41% / 45% (see exact thresholds above).
- Social charges on investment/rental: 17.2% (7.5% solidarity only if S1-type exemption).
- Flat tax (PFU): 30% (12.8% IR + 17.2% PS).
- Real-estate gains: 19% + 17.2%; main-home exemption; abatements to 22/30 years; possible surcharge >€50k gain.
- IFI: threshold €1.3 m; rates 0.5% - 1.5%.
- VAT: 20% standard; 10%/5.5%/2.1% reduced for specific items/works.
- High-income levies: CEHR 3–4%; CDHR (new) minimum 20% effective tax over €250k/€500k RFR.

FINAL NOTES

French tax rules are nuanced (quotient familial, abatements, treaty overrides, social-charge exemptions, property and local tax variations). For specific planning—especially if you have multi-country income/pensions—run numbers both ways (PFU vs progressive; micro vs réel) and align with the applicable treaty.

Taking advice on the above is very important and a consultation call with a member of the SJB team can help you to look at taxation rates and the impact they can have on your investments, pensions and much more.

Please note this is a snapshot of the taxation in France and at all times you should seek professional advice. Here at SJB Global and SJB US we can help you with this either directly or through our carefully chosen partners.

FOR TOP-TIER ADVICE AND EXPERTISE, REACH OUT TO US TODAY.

Our team of specialised advisors is ready to assist you on your journey to financial freedom.

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