



# French Income Tax

**YES** - It's that time of the year again - when we receive the dreaded income tax form to complete (from mid-April to mid-May).

As the forms were not available at the time of writing this article, I have decided to give you a prelude on French income tax. I will be explaining who has to fill in a tax form, what revenue you have to declare, how the double taxation treaty works between France and the UK and lots of other information.

Next month, when the new forms are available, I will explain how to fill them in and give you dates and places where I will be available for free help.

## Who has to fill in the tax form?

Basically everybody who is a French resident (lives in France more than 6 months per year) whether you are employed, self-employed or retired and even if you are obliged to pay tax in the UK.

If it is your first time, you have to go to the Trésor public office (tax office) and ask for the forms, which are available from mid-April.

In France, you are not taxed at source, which is why we need to fill in a form. The advantage is that if you have children or a spouse earning much less than you it will lower your taxable income, as you are taxed as a family, not an individual. Adults count as 1 point, the first 2 children as ½ point each and the third child and so on as 1 point. You then divide the total revenue of the family by the number of points you have, to know what your taxable income is. Unmarried couples have to fill in a tax form each.

## When?

You fill in a tax form the following year, meaning you declare your revenue of 2014 in your 2015 tax form. So, if you moved to France before July last year, then you will need to fill in your first French tax form in April-May 2015, on which you declare your revenue of 2014.

If your move was later than July, then you are not considered resident in 2014 and therefore you will have to fill in your first French tax form in April-May 2016, for your revenue of 2015.

When you fill in a tax form in April-May, you receive the bill (called Avis d'imposition) in August-September of the same year. This is a very important document proving that you filled in your tax form and are therefore a French resident. This bill can show that you have nothing to pay.

## What forms?

2047: This is a pink form on which you enter your revenue from abroad and you then transfer all those revenues onto a blue form called 2042.

2042: For the first time you declare.

2042SK: It is the simpler version of the 2042 usually used by employed people, as it is already filled in with salary information, so you only have to check that it is correct.

2042K: This the one most of you should use as you can report revenue from abroad on this one (you can't on the 2042SK).

## Double taxation

There is a treaty between France and the UK that means you cannot be taxed twice.

But... you have to fill in the form **United Kingdom/France Double Taxation Convention (SI 2009 Number 226)** which you can download from the internet.

However, you can only fill in this form once you have been taxed in France, as you have to put your French tax reference on the form.

Once the form has been completed, you take it to the French tax office who stamp it and send it to Paris, who send it to the UK. Six months later, you will be reimbursed the tax that you paid in the UK since you arrived in France and will no longer be taxed at source in the UK.

Because in France you pay tax for 2014 in 2015 and in the UK you

pay tax at source (i.e. in 2014 for 2014), it means that the first year you are in France, you end up paying tax twice but you do get it reimbursed. This will be shown on the Avis d'imposition that you receive in August-September of the year you fill in your first French tax form.



Note that ex Civil Servants, police and military are taxed in the UK for their pension related to that government employment and always will be. When they fill in the French tax form, they enter their pension revenue in a special section, which gives them a tax credit equivalent to the tax which would have been due in France for the amount declared.

## Avis d'imposition

This is a very important document not to be lost.

It proves you are a French resident and it also proves your revenue.

If you want to get some social help in France (CMU, CAF, RSA, etc), you have to show them this document. Some ISA saving accounts (LEP) are only available if you can show this document to your bank as it is only available for people with low income. These are only a few examples of why it is an important document.

## www.impots.gouv.fr

This is the official web site of the French tax authorities. You can download tax forms, find useful information (convention between France and UK), fill in your tax form online and also set up a monthly direct debit for your income tax, taxe d'habitation and taxe foncière.

## Conclusion

It is an obligation. If you live in France, you have to fill in a French tax form.

Next month, when the new forms are available, I will explain how to complete them and give you dates and places where I will be available for free help - so don't panic.

Finally don't hesitate to contact me for any other information or quotes on subjects such as inheritance law, funeral cover, French tax, car, house, professional, travel and top up health insurance, etc...

And remember to check out our website where you can find all my previous articles under the 'Practical Information' page on the English site: [www.bh-assurances.fr](http://www.bh-assurances.fr).

You can also follow us on Twitter@charenteinsure

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