



French Income Tax

by Isabelle Want

Yes! It's that time of the year again when we start receiving the dreaded income tax form to fill in (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 UK and lots of other information.

Next month, when the new forms are available, I will explain how to complete them, in detail.

1. 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 taxes 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 the first week of May.

In France, you are not taxed at source. That is why we 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!

2. and When?

You fill in a tax form one year after, meaning you declare your revenue of 2015 in April/May 2016. So if you have officially moved to France before July 2015, then you fill in your first French tax form in April/May 2016, on which you declare your revenue of 2015. If you moved to France **after** July, then you were not French resident in 2015 (in France less than 6 months) and therefore, you will have to fill in your first French tax form in April/May 2017 for your revenue of 2016.

When you fill in a tax form in April/May, you then receive the bill (called 'Avis d'imposition') in August/September of that same year.

This is a **very important document** proving you filled in your tax form and are therefore a French resident. This bill can show 0€ to pay or unfortunately more!

3. What forms?

- **2047:** This is the pink form on which you enter your revenue from abroad and you then transfer all those revenues on the 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 their salaries - so you only have to check that it is correct.
- **2042K:** This is the one most of you should use as you can report revenue from abroad on this one and you can't on the 2042SK.

4. Double Taxation

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

To avoid being taxed twice, you have to fill in this form: **United Kingdom/France Double Taxation Convention (SI 2009 Number 226)**, which you can download from 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. Indeed, once the form is filled in, you take it to the French tax office, who stamp it and send it to Paris, who send it to the UK. Then 6 months later, you get reimbursed the tax that you have paid in the UK since you arrived in France, and will then stop being taxed at source in the UK.

Because in France, you pay tax for 2015 in 2016 and in the UK you pay tax at source (so **in 2015 for 2015**), it means that the first year

you are in France, you end up paying tax twice but you then get reimbursed the tax you paid in the UK once you have a French tax reference. This is 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 based job and will always be! But, when they fill in the French tax form, they fill in that pension revenue on a special section which gives them a tax credit equivalent to what the tax would have been in France for the amount of money they declared.



5. Avis d'imposition

This is a very important document not to be lost. It proves you are 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 that document. Some ISA savings account (LEP) are only available if you can show this document to your bank, as it is only available for people with low income.

6. www.impots.gouv.fr

This is the official web site of the French tax authorities. You can download tax forms, fill in your tax form online and also set up monthly direct debits for your income tax, taxe d'habitation and taxe foncière.

Note that from 2019, everybody will have to fill in their income tax form online so the French government is starting from this year and is doing it gradually starting with the richer people. So you might be asked to do it online.

Conclusion

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

Next month, I will give you dates and places where I will be available for free help, so don't panic yet.

Don't hesitate either to contact me for any other subjects such as funeral cover, inheritance law, car, house, professional and top up health insurance. And check out our website www.bh-assurances.fr for my previous articles on the 'Practical Pages' of the English site.

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