

# FRANCE

As per 1 January 2017

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## EXPATRIATE AND EMPLOYER TAX COMPLIANCE AND ADVISORY

<b>Tax rate</b>	Progressive tax rate: 0% – 45% (income below EUR 9,710 will not be taxed).
<b>Tax period</b>	Calendar year.
<b>Tax residency / Domicile according to domestic law</b>	Persons are deemed to be domiciled in France for tax purposes : <ul style="list-style-type: none"><li>• their home is in France;</li><li>• their main place of abode is in France (present for 183 days or more in a calendar year);</li><li>• they carry on a professional activity in France, salaried or not, unless they can prove that it is a secondary activity;</li><li>• they have the centre of their economic interests in France.</li></ul> A person will be regarded as resident in France if any of the above conditions is met.
<b>Tax registration</b>	Not required.
<b>Employment income definition</b>	Any remuneration and benefit in cash or in kind received by an employee for services rendered under an employment agreement (e.g. school fee reimbursements, benefits in kind, cost of living allowances, home leave reimbursements, housing allowances).
<b>Examples of tax exemption</b>	Reimbursements of properly documented business expenses (including business trip expenses, per diems, etc.) are not taxable.
<b>Specific expatriate concession</b>	Special income tax regime for assignees into France (“inbounds”). If several requirements are met, employee is exempted from taxation of specified income during eight years * (expatriate bonuses, moving expenses reimbursement, remuneration for the work days performed outside the France...etc.).  * 8 years for taxpayers who started their professional activity in France from July 6th 2016, otherwise it is 5 years.
<b>Income of board members</b>	Depending on both the type of company and the functions performed in the company.
<b>Tax returns</b>	Each taxable person shall file the return in which is detailed incomes and profits derived during the tax period (the year), and the family expenses. Appropriate forms (n° 2042 and seq.) are communicate by the French Tax Authority (FTC) or can be uploaded by their website. In principle, the return must be filed no later than the end of May of the following year.
<b>Tax payments</b>	Warning : the below described situation is to be changed : from January 1st, 2018 a withholding income tax and social contributions system should apply instead of the current instalment payment system  Two tax installments must be paid by the taxable person who was taxed the previous year on the basis of this taxation. Payment deadlines are the 15th February and the 15th May of the following year. If several requirements are met, the taxpayer may reduce or be exempt from installments (new taxpayer for the first taxation year, etc). The payment of the remaining balance occurs when receiving the tax notice ( by September of the following year at the latest). The taxpayer may opt for monthly payment of income tax.

## TAX TREATIES

Employment income / income from board members

Art 15/16 Model OECD Tax Convention

## INTERNATIONAL SOCIAL SECURITY

Cross border employments

EU Regulation No 883/2004 and EU regulation No. 1408 / 71.

Exception under Art 16 of Reg. 883/2004 and Art 17 of Reg. 1408/71

Generally applicable.

Social Security Cost as % from gross salary and absolute amounts

The French social security system is composed of various schemes providing a wide range of benefits. This system includes social security basic coverage (sickness, maternity, disability, work-related accident benefits and old age state pension), unemployment benefits, compulsory complementary retirement plans, complementary death/disability coverage and complementary health coverage. The contributions are shared between employer and employee; on average the employer's share of contributions represents 45% of the gross salary, the individual's share 23% (including 'CSG' & 'CRDS'). However, since the contributions are assessed using various ceilings, the average rate will decrease as the gross salary increases.

## IMMIGRATION

Work permit

Swiss, EU and EEA nationals do not need a work permit to work in France. Nationals of another country need a work permit need to obtain a work permit. The work permit can be a visa, a residency permit or a specific document.

Visa

Swiss, EU and EEA nationals do not need a visa to enter into France . Non EU, EEA nationals need a visa. The applications have to be lodged at the French consulate or embassy in the country of residence.

Residency permits / registration certificate

EU and EEA nationals do not need a visa to enter into France . Non EU nationals in general need to apply for a residency permit. Different residency permits exist (in principle, they are valid for one year or for 10 years depending the permit). Different permits have to be lodged at the French prefecture or subprefecture.

Driving license

Driving licences issued in other EU, EEA countries are recognized in France. Driver may exchange his license to grant French driving license (although it is not obligatory). Driving licences issued in the other country are accepted only for one year after settled in France. Under certain conditions, driver may exchange his driving licence.

STOCK OPTION PLAN

Specific tax treatment assimilating gains in wages. CSG are applicable to the French tax resident.



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