

FRENCH SOCIAL CONTRIBUTIONS : FAVORABLE REGIME FOR UK TAXPAYERS !

From 2019, European taxpayers who are not affiliated to the French social security system are partly exempted from French social contributions on their incomes deriving from real estate properties and should pay 7.5% only (instead of 17.2%).

However, this exemption is applicable only for taxpayers who are affiliated to a social security regime in the European Economic Area (EEA) and in the Switzerland.

From January 1st 2021, because he is not member of the European Union (EU), the UK is neither member of the EEA : consequently, most of UK taxpayers was supposed to support social contributions at a 17.2% rate on their French sourced capital gains and rental incomes.

However, a recent update of the French tax authorities comments reveals that Brexit withdrawal agreements provides that UK taxpayers who are affiliated to the social security system in the UK (and not in France) keep benefit from the partial exemption and should still pay 7.5% only.

Consequently, UK taxpayers / residents who sold a French property or received rents from French properties during fiscal years 2020/2021 should ask for a social contributions refund to the French tax authorities.

**SEVESTRE & ASSOCIÉS is happy to provide assistance in this matter,
do not hesitate to contact us !**



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