

# NEW REPORTING OBLIGATIONS FOR REAL ESTATE PROPERTY OWNERS

*Real estate property owners are subject to a new reporting requirement starting in 2023.*

As a reminder, main residences will no longer be subject to housing tax from 2023. In order to determine which owner remain liable for the housing tax or the tax on vacant dwellings, owners are required to submit a new declaration to the French tax authorities about the use of their property (French tax code, art. 1418).

## • Who is subject to the new declaration?

As of January 2023, **both individuals and legal entities** must indicate for each of their properties:

- ▶ In the event that the property is used for residential purposes: primary and secondary residences are subject to the declaration,
- ▶ In the event that the property is not personally occupied by the owner, the declaration should include the following details:
  - Identity of the occupants,
  - Period of occupancy.

## • Way to do the declaration? Deadline to submit the declaration?

This declaration must be submitted by June 30, 2023, at the latest by electronic means.

- ▶ **Individuals** must submit the declaration through their personal account on the website *impots.gouv.fr* (section “Individuals must submit the declaration through their personal account on the website *impots.gouv.fr* (section «**Gérer mes biens immobiliers**” / Management of my real estate properties”).
- ▶ **Companies holding real estate properties** (as SCI) must submit the declaration through their professional account on the website *impots.gouv.fr*, (section «**Démarche**» (Steps) then “**Gérer mes biens immobiliers**” / Management of my real estate).  
Companies not having set-up their professional account must do so to complete the declaration.

It is therefore necessary to anticipate this declaration, because the set-up of both the personal and the professional accounts usually take a certain time in order to obtain activation code from the French tax authorities. We are used to assisting our client on these matters.

After submitting their first declaration, individuals and companies will be required to submit a new declaration in case of change of the circumstances.

In such a case, individuals and companies must be vigilant when renting out their properties because they are required to provide updated information to the tax authorities about the tenants..

- **Risk of non-compliance**

In case of non-compliance with this new reporting obligation, individuals and companies are exposed to a fine of €150 per property for which the required information has not been provided to the French tax authorities (*French tax code, art. 1770 terdecies*).

The same fine may be applied in the event of any information having not been provided or in case of inaccurate information.

Tax authorities are able to apply the fine until December 31th of the year following the one during which the tax is due.

*This summary sheet is for information purposes only and does not imply any legal commitment on the part of the writer.*





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