

ASSOCIATION INDIAN COMMUNITY TOULOUSE



IT'S TAX TIME IN FRANCE

Tax Awareness Webinar



Basics of Income Tax in France

Tax Declaration Process - Offline & Online

JOIN THIS SESSION

24 APR. 2025 @ 19h00

Register Now!

<https://shorturl.at/DSwys>



Disclaimer: We are not professional tax experts

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DISCLAIMER!!



- ★ The speakers/volunteers of this session work in private sector companies in France.
- ★ They are not associated with any government organization (Indian or French) or any financial institutions.
- ★ They are not trained professionals, but are here to share their experiences of filing tax in France based on official information available publicly.
- ★ Any finance-related information shared is not professional legal or tax advice.

Note: *The information provided is of an educational and general nature and is not professional advice within the meaning of Articles L. 321-1 and D. 321-1 of the French Monetary and Financial Code.*

Agenda

1. Tax Declaration Deadlines
2. Tax Residency in France
3. Tax Brackets & Tax rates
4. First Tax Declaration
5. List of Tax Forms in France
6. Corrections for Declarations
7. Online Declaration
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9. Tax Deductions, Reductions & Credits
10. DTAA India & France
11. Question & Answer



Association Indian Community Toulouse



Our Vision: “Connecting and collaborating to build a welcoming, inclusive, and supportive community that unites Indians in and around Toulouse, fostering cultural, social, and economic integration with French society. We aim to be a model of community engagement, professionalism, and transparency, contributing to the collective well-being and growth of our community.”

Association Indian Community Toulouse is a non-profit association legally registered under the 1901 law and recognized by French and Indian entities. ICT was officially formed in October 2019 with a diverse team already working as a group to support the Indian community.

Our Objectives

- Provide support for daily activities
- Connect and guide to key local services
- Liaise with Indian consular services
- Organize cultural and sporting events, picnics and festivals.
- Organize trips to discover French heritage and gastronomy
- Offer and share reliable information

Income Tax Declaration Deadlines in 2025

Income earned in 2024

Date	Declaration
10th April, 2025	Opening of the 2025 online income tax declaration via impots.gouv.fr/ .
20th May, 2025	Deadline for 2024 income tax declaration in paper format across France. Both resident and non-resident declaration.
22nd May, 2025	Deadline for 2024 online income tax declaration for Departments 01 to 19.
28th May, 2025	Deadline for 2024 online income tax declaration for departments 20 to 54.
5th June, 2025	Deadline for 2024 online income tax declaration for departments 55 to 976.

Criteria for Tax Residency in France

Satisfy one of the following four criteria

1. **Your Household (Foyer) is in France:** If your habitual residence, along with your spouse and dependents, is in France, you are deemed a tax resident. Even if you spend significant time abroad for professional reasons, your residency remains in France if your family stays in the country.
2. **Your Primary Place of Stay is in France:** If you spend at least 183 days per year in France, your primary place of stay is considered to be in the country. This applies even if your family resides elsewhere.
3. **Your main Professional Activity in France:** If your main work, whether salaried or self-employed, takes place in France, you are considered a tax resident unless this work is only secondary to other primary activities conducted abroad.
4. **Your Economic Interests Are Centered in France:** If France is where you generate most of your income, hold investments, or operate your main business, your tax residency will be established in France.

Income tax brackets and tax rates in 2025

Barème de l'impôt 2025

Income brackets	Income tax bracket rate
Up to €11,497	0%
From €11,498 to €29,315	11%
From €29,316 to €83,823	30%
From €83,824 to €180,294	41%
More than €180,294	45%

Example 1: Single Person With Net Taxable Income Of €32,000 In 2024

Step 1: If you are a single, unmarried, divorced, or widowed person without children, the number of parts in your family quotient is 1.

- So, $32,000 \text{ €} / 1 = 32,000 \text{ €}$.

Step 2: Then apply this value to the income tax brackets and tax rates of 2025, applicable to the income earned during 2024.

Income Tax Brackets (for one family member)	Tax Rates	Tax to be paid
€0 to €11,497	0 %	0€
€11,498 to €29,315	11 %	$(29,315 - 11,497) \times 11 \% = €1959.98$
€29,316 to €32,000	30 %	$(32,000 - 29,315) \times 30\% = €805.50$
Total		$1959.98 + 805.50 = \text{€}2,765.48$

So, you fall in the **30%** tax bracket **taux marginal d'imposition (TMI)**, but not all your income is taxed at 30%. This is explained in the above table.

Step 3: To find the tax that you have to pay on your income, you should again multiply this value by the number of parts "family quotient".

- $\text{€}2,765.48 \times 1 = \text{€}2,765.48$. This is the Gross Tax **Impôt Brut (IB)** to be paid by the household.

Example 2: A Married Or PACSed Couple With 2 Minor Children And A Net Taxable Income Of €60,000 In 2024

Step 1: If you are a couple with 2 minor children, the number of parts in your family quotient is 3. It is two parts for the couple and half a part for each child.

- So, $€60,000 / 3 = \text{€20,000}$.

Step 2: Then apply this value to the income tax brackets & tax rates of 2024, applicable on the income earned during 2023.

Income Tax Brackets (for one family member)	Tax Rates	Tax to be paid
€0 to €11,497	0 %	0€
€11,498 to €20,000	11 %	$(20,000 - 11,497) \times 11 \% = \text{€935.33}$
Total		€935.33

So, you fall in the **11%** tax bracket **taux marginal d'imposition (TMI)**, but not all your income is taxed at 11%. This is explained in the above table.

Step 3: To find the tax that you have to pay on your income, you should again multiply this value by the number of parts "family quotient".

- So, $€935.33 \times 3 = \text{€2,805.99}$. This is the Gross Tax **Impôt Brut (IB)** to be paid by the household.
- However, the couple's income tax amount is below the threshold of €3,248 so eligible for a tax reduction.
- The reduction is calculated as follows: $€1,470 - (€2,805.99 \times 45.25\%) = €1,470 - €1,269.71 = €200.29$, which rounds up to €200.
- The final tax amount after applying the reduction (**décote**) is: $€2,805.99 - €200 = \text{€2,605.99}$

First income Tax declaration in France

Offline Process - Documents Required

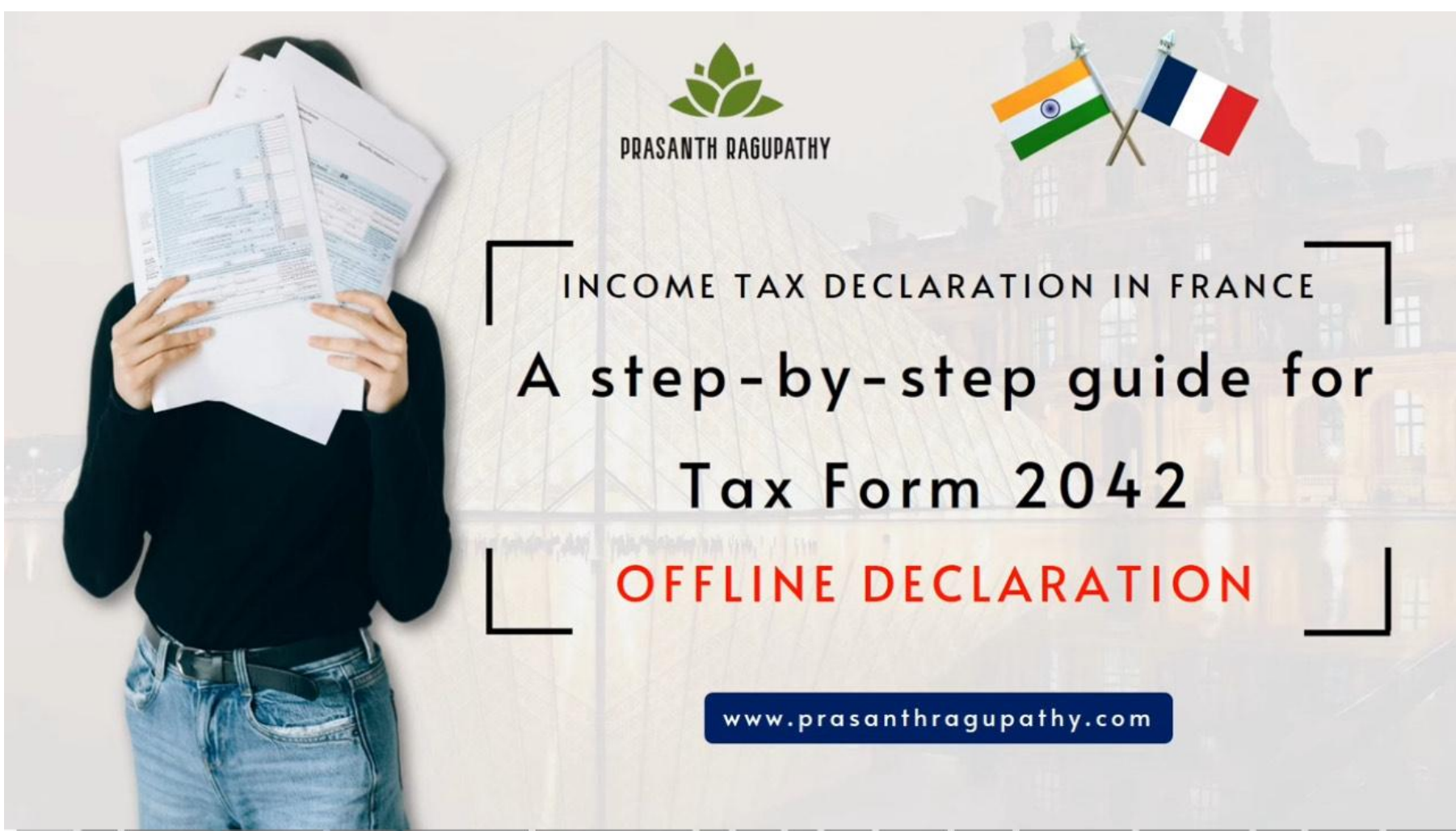
You need to collect the following documents for your income tax declaration.

- Form [Formulaire 2042 : Déclaration de revenus](#) It is the main tax declaration form.
- Annexure Form [Formulaire 3916-3916-BIS](#) . This form allows you to declare all your non-French accounts from banks, insurance, crypto exchanges, etc.
- Other annexure forms apply to your situation. The most common ones are [2042 RICI](#) (Tax credits & reductions), [2047](#) (Foreign income) and [2074](#) (Profit or loss from investments).
- Copy of your passport and a valid French resident permit. If you are an European citizen, copy of your EU identity card.
- Copy of a valid address proof in France. So, it can be a rental contract, rent receipt, an attestation d'hébergement, etc and an utility bill less than 3 months old like gas, electricity, landline, mobile number, etc. Please refer to [Address proof documents for Resident Permits: Justificatif de domicile](#).
- Copy of your French Bank RIB (relevé d'identité bancaire) which has your complete bank account details. It can be downloaded from the documents section on your bank's website or mobile application.

First income Tax declaration in France

List of Tax Forms

Tax Forms	Description
<u>2042</u>	The main tax form to start the declaration
<u>2042-C</u>	Complementary income from dividends, capital gains from shares, life insurance, tax-exempt real estate investments, etc
<u>2042-C-PRO</u>	Income from self-employed occupations, tax reductions, and credits to companies.
<u>2042-IFI</u>	If net taxable real estate assets are more than 1,300,000 euros (property fortune tax)
<u>2042-IOM</u>	Investments in French overseas territories
<u>2042-RICI</u>	For claiming Tax reductions and Tax credits
<u>2044</u>	Income from unfurnished rentals, shares of real estate businesses, or investment funds
<u>2047</u>	Foreign Income including interest, capital gains, dividend, etc
<u>2074</u>	Profit or loss from movable assets like shares, etc
<u>2086</u>	Income from digital assets such as NFTs, cryptocurrencies, etc
<u>3916-3916-BIS</u>	Declaration of foreign bank accounts, investment accounts, and life insurance policies



PRASANTH RAGUPATHY

INCOME TAX DECLARATION IN FRANCE

A step-by-step guide for
Tax Form 2042

OFFLINE DECLARATION

www.prasanthragupathy.com

**How to submit your first Income Tax
Declaration offline? || Form 2042 || France** 

Corrections for Previous Tax declarations

N-2 years

2024 Tax Forms For AY2023 Income

- The various income tax declaration forms and guides for 2024 tax declaration can be found via the above link but under the section "**Millésime 2024**".
- It concerns the worldwide income earned between January and December 2023.

2023 Tax Forms For AY2022 Income

- The various income tax declaration forms and guides for 2023 tax declaration can be found via the above link but under the section "**Millésime 2023**".
- It concerns the worldwide income earned between January and December 2022.

Online Tax declaration

From 2nd year onwards



Declaring Foreign Accounts

Bank, Brokerages, Crypto, etc

A non-exhaustive list of accounts held outside France,

- Non-French Bank accounts including resident or non-resident, single or joint account, savings or current, etc. For example: NRE, NRO, FCNR, etc.
- Life Insurance policies, etc.
- Crypto and related accounts such as Crypto.com, Kraken, etc.
- Investment accounts such as Interactive Brokers, Trade Republic, Trading212, Zerodha, Kuvera, ICICI direct, Etoro, etc.
- Money transfer accounts like **Wise** (formerly Transferwise), etc have to be declared, only if there is a personal non-French IBAN created in your name. If there is an IBAN that does not start with FR, it must be declared.
- A **Paypal** account that is only used to pay for your purchases, or via which you have cashed less than €10,000/ year, you do not have to declare it.
- Credit and debit cards do not have to be declared because they are not bank accounts.

Bank fixed deposits (FD) do not require a declaration because the accounts holding these deposits are already part of the above list.

Declaring Foreign Accounts

Bank, Brokerages, Crypto, etc

Which Accounts?

It concerns all the accounts **opened/held/closed** in the last financial year. For example, January 2024 to December 2024 for Income Tax declaration in 2025.

- Accounts that were declared in the previous tax declaration and if they are still open, you can click on the "**REPORT**" option (for online declarations) and carry forward the information from last year. This option avoids re-entering the existing information.
- Accounts opened or closed since the previous tax declaration.
- Accounts that were never declared in the past and are still active.
- Accounts for which you hold the power of attorney (POA) to use the account.

Declaring Foreign Accounts

Bank, Brokerages, Crypto, etc

Where To Declare?

Each foreign account must be declared in Annexure 3916.

Offline Declaration:

- If you are doing an offline paper-based declaration, you have to download [Annexure 3916](#) from the Impots website. The forms are different for each year. For the 2024 tax declaration, check the **Millésime 2024** section.
- If you have multiple accounts, the pages 2-4 have to be repeated for each account.

Online Declaration:

- If you are doing an online declaration via your personal Impots account, you need to check the box **Annexe n3916-3916 bis** in the list of annexures. The declaration process will automatically prompt the relevant sections to be completed.
- Without completing this annexure, you will not be able submit the tax declaration.

Declaring Foreign Accounts

Bank, Brokerages, Crypto, etc

Correcting Previous Declarations

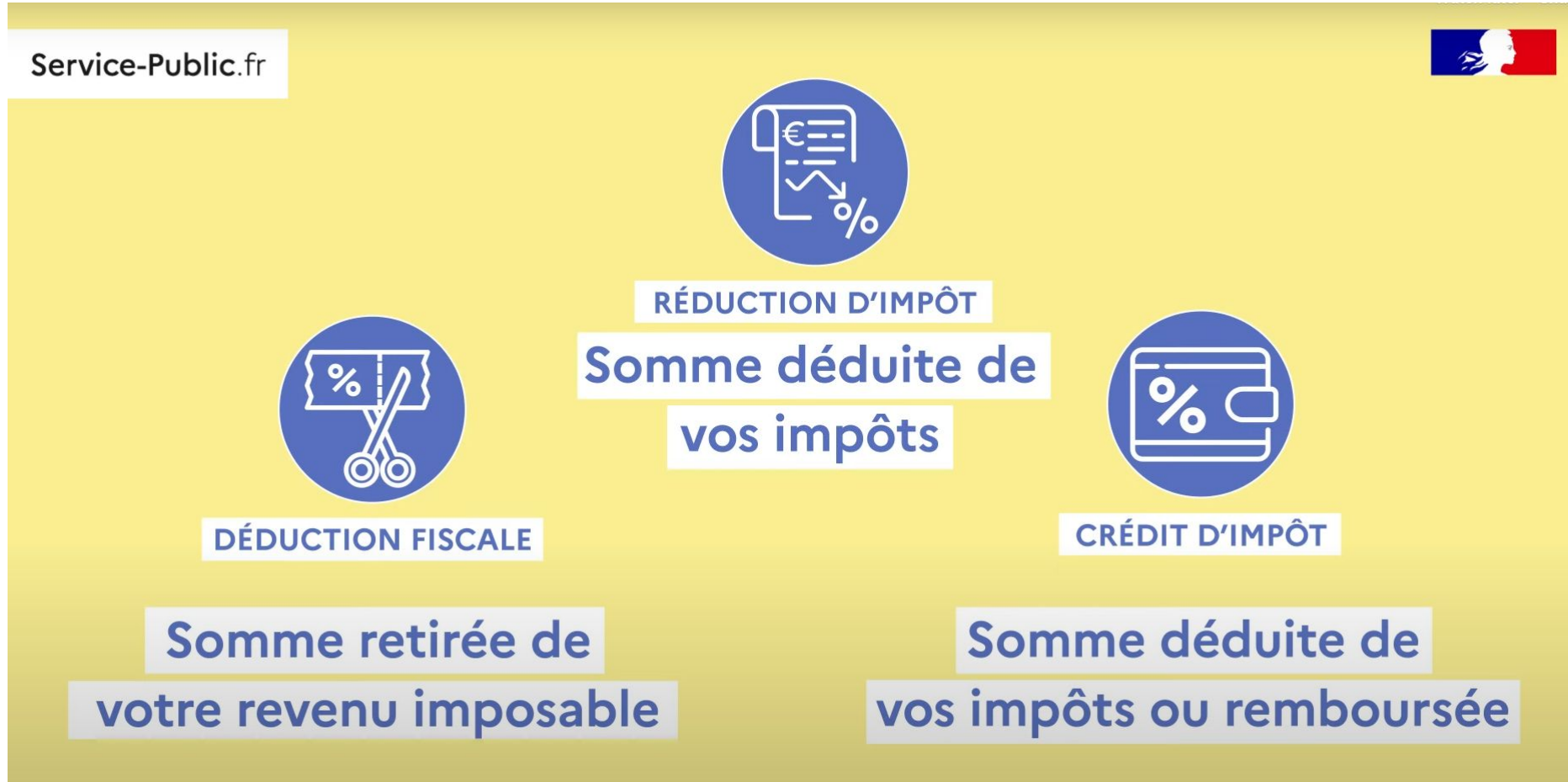
- If you have not declared these accounts in the previous years, then you can correct your tax declarations for up to the last 3 years.
- For example: the correction period ends on 31st December 2025, for 2022 income tax collected in 2023.
- You can complete the 3916 forms and send to your local tax office by post.

Penalty For Undeclared Foreign Accounts

- It is your responsibility to ensure that all your foreign accounts are declared in 3916.
- Failure to declare a bank account or investment account can lead to a **1500€ penalty per non-declared account**.
- This can go up to 10000€ for bank accounts in countries, which have not signed any financial info exchange agreements with France.
- Failure to declare crypto-related accounts can lead to a penalty of 750€ per account and 125€ for wrong/mission information.
- This penalty can go up to **10000€**.

Tax Deduction, Tax Reduction & Tax Credit

Differences



Tax Deduction, Tax Reduction & Tax Credit

Differences

Types Of Tax Deductions

The following types of tax deductions are available in France.

1. Professional expenses "**Frais professionnels**" (actuals or -10% standard deduction). For example: Fuel expenses, Work from home expenses, etc.
2. Payments made towards your Retirement Savings Plan (PER) in France. For more details, [*PER – Plan Epargne Retraite: French Retirement savings account and tax reduction*](#).
3. Family support payments "**pensions alimentaires**" for children, payments to spouse or ex-spouse after separation, and parents or grandparents. It also includes the money transferred to dependent parents living abroad.
4. Compensatory allowance to ex-spouse after divorce "**prestation compensatoire**".
5. Expenses towards accommodating a very aged person (above 75 years) at your home "**Frais d'accueil d'une personne âgée**".
6. Charges related to Historical Monuments "**Monuments historiques – Charges déductibles**".
7. Owner of a unfurnished rental property, you can benefit from a tax deduction if the expenses are higher than your rental income "**Déficit foncier**".

Tax Deduction, Tax Reduction & Tax Credit

Differences

Types Of Tax Reductions

The following types of tax reductions are available in France.

- Children's tuition fees in France "**frais de scolarité**".
- Donations to associations and political parties in France.
- Investments in rental properties via **Loi Pinel/Duflot** and **Loi Denormandie**.
- Investments in French overseas territories via **Loi Girardin Industrial**.
- Investment in companies dedicated to financing film and audiovisual production "**SOFICA**".
- Investment in small-scale enterprises "**PME**".
- Investment in a complete property restoration operation in certain protected areas as per the **Loi Malraux**.

Tax Deduction, Tax Reduction & Tax Credit

Differences

Types Of Tax Credits

The following types of tax credits are available in France.

- Childcare expenses for children or grandchildren under the age of 6 outside your home, **frais de garde d'enfant hors du domicile**.
- Employing someone at home, directly or via a service provided by an association, company or approved organization, **emploi d'un salarié à domicile**.
- Home installation of charging station for electric vehicles, **installation de bornes de charge**.
- Modifications done to adapt housing for the loss of autonomy related to age or disability.

Intro to DTAA between India and France

Double Tax Avoidance Agreement (DTAA)

For Tax Residents in France (including NRIs, OCIs, etc), **Income from India will be taxed** as follows:

- **Bank Interest:** Taxable in France. If taxed in India, a 10% tax credit from France is possible.
- **Dividends:** Taxable in France. If taxed in India, a 10% tax credit from France is possible.
- **Capital gains from movable assets** (stocks, ETFs, MFs, etc): Taxable in France.
- **Capital gains from immovable assets:** Not Taxable in France.
- **Income from EPF, PPF & NPS:** Taxable in France.

Note:

- Submit a French Tax Residency certificate in India and avoid the TDS.
- Income not taxed in France must be declared too as exempt income and it will be considered for calculating your eligibility for various social benefits in France.

Question & Answer



Indian Community Toulouse

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Thank you

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