



CALCULATION OF REAL ESTATE CAPITAL GAINS AS OF JANUARY 1st 2025

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THE EXPERT
IN REAL ESTATE
CAPITAL GAINS

TEVEA
international

APPOINTMENT OF A TAX REPRESENTATIVE

For **private individuals** who are not residents of the European Union⁽¹⁾, Iceland, or Norway for tax purposes, and who own a property directly or through a partnership, regardless of the location of its registered office

> the appointment of a tax representative is required when the sale price exceeds **€150,000**^{(2) (3)}, even if no tax is due.

Examples: French SCIs owned by US residents. // Luxembourg SCIs owned by Russian residents. // A resident of Monaco, Switzerland or the United Kingdom, regardless of nationality.

For sellers that are **legal entities** with a registered office outside the European Union⁽¹⁾, Iceland or Norway, and that own property directly or through a partnership whose registered office is in the EU, Iceland or Norway

> the appointment of a tax representative is required for **all sales**, starting from €1.

Examples: A Monegasque SCP owned by Italians residents. // French SCIs owned by a US company.

EXEMPTION FROM A TAX REPRESENTATIVE

- When the sale price is **less than or equal to €150,000**^{(2) (3)}, the private individual sellers mentioned above do not have to appoint a tax representative; however, they must file a capital gain declaration unless the sale price is less than €15,000.
- When the property has **been held for more than 30 years**, regardless of the price, the private individual sellers mentioned above do not have to appoint a tax representative or file a return.

⁽¹⁾ As a reminder, since 01/01/2021, the United Kingdom has been considered a third country with respect to the European Economic Area.

⁽²⁾ Or a fraction of the price corresponding to the total shares held by non-resident shareholders (private individuals and legal entities).

⁽³⁾ In the event of joint ownership, this amount is assessed per seller, except for civil partnerships and married couples.

TAX RATE

INDIVIDUALS

Income Tax

Flat rate of 19%, regardless of the country of residence.

Social security contributions

Sellers affiliated with a mandatory social security system :

in France or in a third country: 17,2 %

in Switzerland, the United Kingdom, or an EEA member state : 7,5%

LEGAL ENTITIES

Standard corporate income tax rate = 25 %.

TAX SCALE FOR USUFRUCT AND BARE OWNERSHIP

Age of usufructuary	Value of usufruct	Value of the bare ownership
Under 21 y/o	90 %	10 %
Under 31 y/o	80 %	20 %
Under 41 y/o	70 %	30 %
Under 51 y/o	60 %	40 %
Under 61 y/o	50 %	50 %
Under 71 y/o	40 %	60 %
Under 81 y/o	30 %	70 %
Under 91 y/o	20 %	80 %
Over 91 y/o	10 %	90 %

REAL ESTATE CAPITAL GAINS PORTAL

Find all the essential information for capital gains calculations in just one click on aide.tevea.fr :

- Detailed table of contents with direct access to BOFIP links (French Tax Authorities' Doctrine)
- References to applicable legal texts and international tax treaties signed by France
- Commented decisions and rulings
- Availability of current tax forms



> **REAL ESTATE CAPITAL GAINS CALCULATOR/SIMULATOR**
FREE, COMPLETE, NO PRIOR REGISTRATION REQUIRED

TAX ON HIGH CAPITAL GAINS (SINCE 1 JANUARY 2013)

Amount of net taxable capital gain (CG)	Amount of tax
€50,001 to €60,000	2 % PV - (60 000 - PV) x 1/20
from €60,001 to €100,000	2 %
from €100,001 to €110,000	3 % PV - (110 000 - PV) x 1/10
from €110,001 to €150,000	3 %
from €150,001 to €160,000	4 % PV - (160 000 - PV) x 15/100
from €160,001 to €200,000	4 %
from €200,001 to €210,000	5 % PV - (210 000 - PV) x 20/100
from €210 001 to €250,000	5 %
from €250 001 to €260,000	6 % PV - (260 000 - PV) x 25/100
over €260,000	6 %

Note : under certain conditions, this tax can be multiplied by five in areas of Corsica subject to real estate over speculation

TAX RELIEF AND EXEMPTION RULES

RELIEF FOR HOLDING PERIOD (INCLUDING LAND)

Holding period	Cumulative relief rate (Income Tax)	Cumulative relief rate (Social contributions)	Capital gain tax rate*	
			Sc 17,2 %	Sc 7,5 %
5 years or less	0 %	0,00 %	36,20 %	26,50 %
6	6 %	1,65 %	34,78 %	25,24 %
7	12 %	3,30 %	33,35 %	23,97 %
8	18 %	4,95 %	31,93 %	22,71 %
9	24 %	6,60 %	30,50 %	21,45 %
10	30 %	8,25 %	29,08 %	20,18 %
11	36 %	9,90 %	27,66 %	18,92 %
12	42 %	11,55 %	26,23 %	17,65 %
13	48 %	13,20 %	24,81 %	16,39 %
14	54 %	14,85 %	23,39 %	15,13 %
15	60 %	16,50 %	21,96 %	13,86 %
16	66 %	18,15 %	20,54 %	12,60 %
17	72 %	19,80 %	19,11 %	11,34 %
18	78 %	21,45 %	17,69 %	10,07 %
19	84 %	23,10 %	16,27 %	8,81 %
20	90 %	24,75 %	14,84 %	7,54 %
21	96 %	26,40 %	13,42 %	6,28 %
22	100 %	28 %	12,38 %	5,40 %
23		37 %	10,84 %	4,73 %
24		46 %	9,29 %	4,05 %
25		55 %	7,74 %	3,38 %
26		64 %	6,19 %	2,70 %
27		73 %	4,64 %	2,03 %
28		82 %	3,10 %	1,35 %
29		91 %	1,55 %	0,68 %
30		100 %	0,00 %	0,00 %

*Excluding high capital gain tax

EXEMPTION FOR FIRST SALE

(CGI, art. 150 U, II-2°)

Under certain conditions, non-residents who are nationals of a state of the European Economic Area who have been domiciled for tax purposes in France for a continuous period of at least two years may benefit from an exemption from capital gains up to the limit of one residence per taxpayer and €150,000 in net taxable capital gains (tax income and social security contributions).

EXEMPTION FOR PRINCIPAL RESIDENCE

(CGI, art. 150 U, II-1°)

Non-residents can benefit from a total exemption on the capital gain made on the sale of the property qualifying as their main residence in France, provided four cumulative conditions are met.

Important note: This exemption cannot apply if the seller has already benefited from exemption for first sale. Conversely, a taxpayer who has benefited from this exemption will not be eligible for the exemption for first sale.

EXEMPTION ON SALES OF BULDINGS INTENDED FOR SOCIAL HOUSING

(CGI, art. 150 U, II-7° et 8°)

Until 12/31/2025, sales made directly or indirectly can be fully exempted for certain buyer organizations or partially exempted for any other buyer who commits to building social housing.

TAX ON MARKET VALUE

(CGI, art. 990 D, 990 E, 990 F et 990 G)

The 3% tax applies to French or foreign legal entities, whether or not they have legal personality, that directly or indirectly own real estate located in France. Its calculation is based on the market value of the real estate owned in France as of January 1st of the year. The concerned entities must file an electronic declaration (Form No. 2746-SD) by May 15th of each year at the latest and proceed with the online payment of the tax through their professional account on impots.gouv.fr. Exemptions exist, but the scope of application remains broad. The most common exemption is submitting the declaration voluntarily within the deadline, providing the correct information about the shareholders and the market value of the real estate held.

CAPITAL GAINS ON REAL ESTATE FOR SELLERS SUBJECT TO THE LMNP REGIME

For sales made from February 15, 2025, the deductions for depreciation allowed during the rental period will now be reintroduced into the capital gains calculation base. Therefore, the purchase price will be reduced by the depreciation already deducted. Furthermore, construction, extension, or improvement expenses that were not previously accounted for the determination of income tax will increase the purchase price, and the corresponding depreciation will reduce it.

CONTACTS

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CASE LAW (SELECTION)

CAA BORDEAUX, 6th chamber, November 27, 2024, No. 22BX01531 : The CAA of Bordeaux reminds of the need to have invoices for works mentioning the address of the sold property, and that the expenses must have been paid by the seller from their own funds.

CAA TOULOUSE, 3rd chamber, July 9, 2024, No. 23TL01043 : In the context of major phased work on a building in ruins deemed uninhabitable, it appears that interior works can be distinguished from structural works, and, therefore, may not be classified as construction, reconstruction, expansion, or improvement works.

CA AIX-EN-PROVENCE, 3rd chamber, May 30, 2024, No. 1917300 : In case of delay in submitting the declaration No. 2746-SD required to benefit from the 3% tax exemption, the Tax Administration has the right to claim payment of this tax.

TA PAU, 1st chamber, April 15, 2024, No. 2201290 : The TA of Pau ruled that the seller is not entitled to request the application of a 15% increase in the purchase price of the property for works he claims not to have undertaken.

Similarly, the CAA of Lyon had already ruled that a taxpayer is not entitled to request the application of the 15% allowance for work expenses in the calculation of the capital gain on a land supporting a construction intended for demolition, when the taxpayer himself claims not to have undertaken such work (CAA Lyon, May 5, 2018, No. 17LY00630).

Find all the commented rulings on aide.tevea.fr

LIST OF EU // EEA COUNTRIES

Germany, Austria, Belgium, Bulgaria, Cyprus, Croatia, Denmark, Spain, Estonia, Finland, France, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Czech Republic, Romania, Slovakia, Slovenia, Sweden // Iceland, Liechtenstein, Norway.

LIST OF NCSTs (as of 2024 February 16th)

Samoa, American Samoa, Anguilla, Bahamas, Fiji, Guam, Palau, Panama, Trinidad and Tobago, Turks & Caicos Islands, US Virgin Islands, British Virgin Islands, Seychelles, Vanuatu, Russia, Antigua & Barbuda and Belize.

REAL ESTATE TAXATION (EXTENSION) OF NON-RESIDENTS



TEVEA International assists non-residents in complying with their French tax obligations as property owners: IFI declarations, Tax on the market value of properties located in France (3% tax), Occupancy Declaration, Exit tax.

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