French local taxes: 
Real property tax “taxe foncière” and residence tax 
“taxe d’habitation”

This document applies to you if you are a resident of the United States, Canada or Mexico and you own real estate (house, apartment, land ...) located in France.

This information is for guidance only and does not replace the official documentation of the French tax administration.

Direct access

RESIDENCE TAX :
- I’m a student in France, should I pay a residence tax?
- I’m the owner of a property that I do not rent out, should I pay a residence tax?
- I live with a roommate in France, should I pay a residence tax?
- As a nonresident of France, how can I pay my residence tax?

REAL PROPERTY TAX:
- I sold my French property during the year, should I pay the real property tax for the whole year?
- What forms should I file for my real property tax?
- Is my property subject to real property tax?
- As a nonresident of France, how can I pay my real property tax?

What are local taxes in France?

Local taxes are the taxes levied by local and regional authorities (municipalities and their associations, public establishments for inter-municipal co-operation (EPCI) and the “département”).

They are divided into two sub-categories: direct taxes and indirect taxes.

Direct local taxes include real property tax (“taxe foncière”) and residence tax (“taxe d’habitation”).

Last update : 27 janvier 2017
How are French local taxes calculated?

Real property tax ("taxe foncière") and residence tax ("taxe d’habitation") are calculated on the basis of the cadastral rental value ("valeurs locative cadastrale") of the real property.

It is therefore important that each property subject to taxation in respect of the residence tax, the property tax or any other local tax be subject to a property assessment.

This rental value is established after consultation with the communal or departmental commissions of direct taxes during land revision operations.

The cadastral rental value can be modified according to different events affecting the property.

What is the cadastral rental value "valeurs locative cadastrale"?

The rental value represents the theoretical yearly rent that the property could produce if it were leased.

It is one of the basis used to calculate the residence tax and the real property tax.

It is calculated on a flat-rate basis from the conditions of the 1970 rental market for built properties and from 1961 for undeveloped properties (land).

This rental value 70 is modified by flat-rate actualization and revaluation coefficients.

It may also evolve over the years depending on the changes noted by the French tax administration, such as the enlargement of the living area, the completion of major works or the purchase or construction of additional equipment (Garage, swimming pool, veranda, ...).

How are the properties valued?

For residential buildings, rental values are determined by comparison.

Concretely, this method consists of defining categories of buildings (8 categories) according to their quality at the national level and in each municipality, and then, for each category, to determine an evaluation rate per square meter.

Once this first work is done, each property to be evaluated is assigned to a category.

On the basis of the returns filed by the owners, the rental value of each premises is calculated by applying the rate to its adjusted area ("surface pondérée").
The adjusted area shall be obtained by applying to the actual area of the premises corrective measures reflecting the various factors which, under normal operating conditions of the rental market, affect the level of rents:

- nature of the various elements of the premises;
- size of the dwelling;
- state of maintenance of the construction;
- location of the building in the municipality and location of the premises;
- comfort of the premises (bath, shower, gas, ...).

Finally, different events can affect this cadastral rental value. On the one hand, it is modified annually by the flat-rate actualization and revaluation coefficients. On the other hand, it is updated to take account of changes affecting the property (see next page).

**The 5 changes that can affect the rental value “valeur locative”**

1. **New constructions or reconstructions**

   The construction of a building for the first time on an unbuilt plot ("new construction") or the reconstruction of a building on the site of a demolished building ("reconstruction").

2. **Changes in consistency of the building**

   In the case of buildings, a change in consistency is a change in the composition of a pre-existing space with the effect of altering its volume or area, such as additions, total or partial demolitions, assembly or division of premises.

   In the case of land, it is the modifications of the area of an undeveloped plot of land due to natural phenomena or works, such as containment works, erosion or alluvial deposits.

3. **Changes in the use of the building**

   In the case of buildings, a change in the use of a building is:
   - moving from one group of premises to another, such as a commercial space that becomes a dwelling;
   - the loss or obtaining of a permanent exemption, for example a rural building which becomes a dwelling.

   In the case of land, it is the change from one plot of a group of nature of crop to another group, such as plantations of wood or the uprooting of vines.
4. **Changes in the physical characteristics of the building**

In the case of buildings, a change in physical characteristics is the major improvement of the building without affecting the area or volume of the premises, such as:
- new equipment;
- major updating work;
- transformation of attics into living spaces.

In the case of land, it is the changes resulting in a lasting improvement or depreciation, such as irrigation, drainage or sloping of the embankments.

5. **Changes in the surroundings of the building**

In the case of buildings, a change in the surroundings is the external phenomena affecting the immediate surroundings of the building and causing advantages or disadvantages for the occupants. Those are:
- carrying out urban planning or community facilities operations;
- the establishment or removal of nuisance-producing establishments.

In the case of land, it is the external phenomena affecting the immediate environment of the unbuilt plot like the creation of paths.

**When can I challenge a local tax?**

French tax legislation provides that the time limit for challenging a local tax ends on 31 December of the year following the year in which the tax is levied.

**Example:** This period ends on December 31st 2017 for the real property tax or residence tax levied in 2016.
Real property tax on buildings
“Taxe foncière sur les propriétés bâties”

What is the real property tax ("taxe foncière")?

Calculated on the cadastral rental value, real property taxes are local taxes payable annually by owners of real estate located in France.

The real property tax on buildings is owed by the owner of the property on January 1st of the tax year.

The place of taxation is the place where the property is situated.

Who is subject to the real property tax?

Generally, owners of real property are liable for French real property tax.

1. **When the property is owned by a married couple**

   The real estate property tax is owed by the owner or owners of the property in question. Consequently, the matrimonial situation has no impact on the establishment of the real property tax.

   Note that the spouses are not jointly liable for the payment of the property tax.

2. **When a property is subject to usufruct**

   If the property is dismembered, the usufructuary (beneficial owner) is liable for the real property taxes. But not the owner of a simple right of use and habitation.

   Usufruct, as defined by Article 578 of the French Civil Code, is the right to use a property (to live in a house, to use furniture ...) or to collect its income (for example, to collect rents, interests or dividends), without relinquishing the property.

3. **When a property is sold during the tax year**

   If the property is sold during the year, the seller may request the pro rata sharing of the tax with the buyer. This is, moreover, what is usually provided for in the deed of sale.
4. When a property is bought with a life annuity/lease ("en viager")

When a property is purchased in a life annuity/lease ("viager"), the purchaser is liable for the real property tax as of January 1st following the date of acquisition.

The life annuity/lease is a form of real estate sale: a person, most often an elderly person, sells his house in return for a life annuity, keeping, when possible, the right to live there. In this case, the seller, also called “crédirentier”, has a right of usufruct (from the Latin words "usus" and "fructus", the right to use it and the right to collect the fruits - rents for example) or a simple right of use and habitation of property belonging to others.

The purchaser, also called the “débirentier”, pays the property in the form of a life annuity (lifetime guaranteed annuity), an annual, quarterly or monthly amount paid to the seller while the latter is alive. The contract may provide for the payment of an initial capital, called the “bouquet”. In this case, the calculation of the pension takes this into account. The balance between the bouquet and annuity remains freely negotiable between the seller and the buyer. The annuity must be established using a reference index.

The contract is drafted by a notary. The property becomes the property of the buyer as soon as the deed is signed. If the dwelling is occupied by the seller, the seller shall retain possession of the dwelling until his death. In this case, the amount of the price takes into account a reduction for usufruct and occupation.

5. When the property is owned jointly ("indivision")

If the property is owned jointly by several owners, the property tax is established in the name of all the co-owners whose names may appear on the tax notice when the number of co-owners is equal to or less than three.

Co-owners are not jointly liable for the payment of the real property tax. The payment of the real property tax results from a private agreement between the co-owners, who must therefore bring the matter before the courts in case of disagreement between them.

The taxation of co-owner spouses depends on their matrimonial regime and the status of the property.

6. When the property is owned through a société civile immobilière (SCI)

When the property is owned by a société civile immobilière with "fiscal transparency" the real property tax is established in the name of each partner in proportion to their share.
What kind of properties are subject to real property tax?

To be taxable to the real property tax, the property must meet the following two requirements:

- be fixed to the ground (it must be impossible to move it without demolishing it);
- present the character of a real building, including the fittings forming part of it.

As a result, mobile barracks and caravans are exempt from real property taxes, unless they are secured by masonry fasteners.

The main taxable immovable properties are as follows:

- livable dwellings,
- car parks,
- soils of buildings and land forming an indispensable and immediate dependence of a building,
- boats used as a fixed point and fitted out for habitation, trade or industry,
- commercial, industrial or professional buildings,
- industrial or commercial installations (warehouses, workshops, tanks, etc.),
- land for commercial or industrial use or used, under certain conditions, for advertising.

As a nonresident, must I pay a French real property tax?

The real property tax on built properties is established annually on built properties located in France.

The person liable for the tax is the owner of the property, whether domiciled in France or abroad.

For example, if you are domiciled abroad and have one or more properties built in France, you are liable to the real property tax for those properties.

What will be the rate of my real property tax?

The tax rates are voted by local authorities (towns, départements, some public establishments for inter-municipal co-operation (EPCI)) each year and can vary very strongly from one municipality to another.

It should be noted that in many cases, the real property tax is the main tax for the financing of municipalities and départements.

Last update : 27 janvier 2017
Can I estimate my real property tax online?

The real property tax is calculated on the basis of numerous criteria linked in particular to the consistency of the taxed property.

It is therefore not possible to estimate these taxes on the website of the French tax administration.

If you wish to receive an estimate of these taxes, you must contact the tax department in charge of the sector in which the property is located.

What are my filing requirements in regards to French real property tax?

New constructions, changes in consistency and changes in use must be reported:

- by the owner;
- at the Property Tax Center ("centre des impôts fonciers") of the location of the property;
- within 90 days of the final completion of the change.

Depending on the nature of the changes, a specific tax form must be filed:

- for new constructions: tax form H1 (individual houses), tax form H2 (apartments) or tax form CBD (commercial premises and various properties);
- for changes in consistency;
- for changes in the use of the property.

The other two types of change (changes in physical characteristics and surroundings) are not subject to any filing requirements. They are automatically acknowledged by the French tax service on the basis of information obtained from claims by landlords or tenants, requests from mayors, the municipal commission for direct taxes or any other source.

Note that you have no filing requirements if there has been no change on your property.

When will I receive my tax bill for my real property tax and when will I have to pay it?

The real property tax notice is generally available (paper and / or online) approximately 3 weeks prior to the October 15 payment deadline.

If you opted for the online notice, you will receive an email notifying you of the availability of your notice.

In some cases, the real property tax notice cannot be established for that date. Also, it is possible to receive (in paper or online) a property tax notice at a later date. The deadline for payment is of course changed accordingly.

Last update: 27 janvier 2017
As a nonresident how can I pay my real property tax?

**Online payment**

The online payment must be preferred when possible. It assures you of the reception of your payment with the correct taxation service in charge of your property.

You can make an online payment only if your bank account is located in France or the SEPA area (the 28 member countries of the European Union as well as Iceland, Liechtenstein, Norway, Switzerland and Monaco).

**Automatic monthly payments or automatic payments at the due date**

The automatic monthly payments (“prélèvement mensuel”) or automatic payments at the due date (“prélèvement à l'échéance”) allow you to pay your taxes from a bank account located in France or in Monaco.

**Payment by money transfer**

Payment by bank transfer is possible within the limit of € 10,000. It can be made from a bank account domiciled outside the SEPA area.

However, as the transfer is not a dematerialized payment method, any payment by transfer for an amount greater than € 10,000 in 2016 will result in a penalty of 0.2% of the amount paid (the penalty may not be less than € 15).

For local taxes relating to your real property, transfers must be made to the tax department in which the property is located. Make sure to mention the references of your payment: Name, First name, Reference of the tax notice, type of tax you are paying.

**Who should I contact regarding my real property tax?**

Whatever your situation, your local taxes are managed by the tax department of the place where your property is located. This service is competent for all questions regarding the calculation, payment, non-receipt of your tax notice, complaint...
Residence tax  
“taxe d’habitation”

What is the residence tax?

The residence tax is a local tax owed by all persons who have the free disposition of a dwelling in a state of being inhabited on January 1st of the taxation year. The residential tax payable in 2017 therefore takes into account the taxpayer’s situation on January 1st 2017.

The residence tax is owed not only the occupants (owners, tenants or occupants free of charge) but also those who have the possibility of occupying the dwelling. This is the case, for example, of a second home, even if it was not actually occupied on January 1st of the tax year.

The residence tax applies to the following premises, whether it is your main or secondary residence:

- Furnished dwelling (single-family house or apartment). The dwelling must have sufficient furnishings to accommodate the dwelling.
- Dependencies of the accommodation (private parking, garage, etc.), even unfurnished and non-contiguous.

Who is subject to the residence tax?

The residence tax is established in the name of the persons who have the free disposition of the taxable premises on January 1st of the year in question, whether as owner-occupant, tenant or occupant free of charge.

1. Accommodation provided by an employer (“logement de fonction”)

A “logement de fonction” is a dwelling provided to an employee or an official by his employer to serve as his personal domicile in return for an obligation of residence, linked to his function, as long as he remains employed by said employer.

People living in a “logement de fonction” are subject to the residence tax. However, the parts allocated to domestic staff are taxable in the name of the employer.

2. Students

Students occupying housing for their studies are subject to the residence tax. They are nonetheless exempt if they occupy a dwelling in an academic residence managed by the Regional Center for Academic and School Works.

Last update : 27 janvier 2017
(Centre régional des œuvres universitaires et scolaires - CROUS) or by a similar body or a furnished room in the house of an individual.

Students who are not in one of these situations may still receive tax relief because of their limited resources if they have a tax return in their name (the tax center calculates the deduction to which the student is entitled), or because of the low income of their parents if they are reported as dependent in the tax household of the latter. In this case, it is up to the students to apply to the public finance center listed on their residence tax notice and attach the income tax notice of their parents.

3. **Tenants**

If the property is rented, the residence tax is established in the name of the tenant occupying the dwelling on January 1st, and not the owner.

In furnished dwellings, the yearly tenant must pay the residence tax. But the "seasonal" tenant, who does not dispose of the property permanently and exclusively, has nothing to pay.

4. **Occupant free of charge**

If a person occupies a housing for free (child, friend, parent ...), two situations must be distinguished.

If this person occupies the dwelling alone (e.g. when the owner lends him an apartment that he does not occupy), the residence tax will be established in his name. It will be up to him to pay it.

On the other hand, if the occupant is staying with a person who lives in the dwelling himself, the tax will remain in the name of the host/owner. For the calculation of the tax, the income of the person hosted will be integrated with that of the host.

5. **Owner**

The owner of a non-rented property must pay the residence tax if the dwelling has furniture - and is therefore livable - on January 1st of the year. The landlord is not, however, liable for the residence tax if he has mandated an agency to rent the property throughout the year, excluding any possibility for him to stay in the property.
6. Shared accommodation

In the case of a shared accommodation (roommates), the tax notice is not sent to each of the co-tenants, but only to one of them (or two at the most, the two co-tenants being jointly liable for the payment of the housing tax). For the administration, it is the addressee who is responsible for paying the full amount of the residence tax within the time limit.

The roommate who pays the residence tax must then ask the other roommates to reimburse them for their respective shares. This is a private arrangement: the roommates are free to fix among themselves the distribution rules they want.

7. Vacant dwelling

In certain towns, vacant properties are subject to a specific tax, the “Taxe d'Habitation sur les Logements Vacants” or THLV (for Housing Tax on Vacant Dwellings). Units shall be deemed “vacant” if they have been "uninhabited and unfurnished" or "insufficiently furnished for occupancy" for at least 2 years from January 1st of the tax year.

8. Car park

A parking area (parking space or garage) is considered a dependency of the residence. It is therefore taken into account in the calculation of the residence tax.

As a nonresident must I pay a residence tax?

The residence tax is payable by the persons who have the free disposition of a taxable premise located in France on January 1st for any reason whatsoever: owner, tenant, occupant free of charge.

A taxpayer is deemed to have the personal disposition of taxable premises where the taxpayer can occupy them at any time and is privately entitled to them.

If you do not have your tax residence in France but have one or several dwellings (not rented), you are liable for the residence tax for these. The tax is due even if you do not occupy the accommodation or if you only stay there for a short period of time during the year.

Please note that, you may also be accountable for the contribution to the public audiovisual (“contribution à l'audiovisuel public”).

Last update : 27 janvier 2017
This contribution, paid at the same time as the residence tax, is payable by any individual who has the disposal of a television receiver in a dwelling for which he is subject to the residence tax.

For example, if you are domiciled outside of France and subject to the residence tax for one or more dwellings located in France, you are liable for the contribution to the public broadcasting if one of these dwellings is equipped with a television receiver (any device that allows you to watch television).

If you have more than one housing unit subject to the residence tax and equipped with a television receiver, only one contribution to the public broadcasting is due.

I received a tax notice for the residence tax on a dwelling I no longer occupy, what should I do?

Article 1408-I of the French General Tax Code provides that the residence tax is established in the name of any individual or entity who has, in any capacity whatsoever, the free disposition of taxable premises.

The tax for the year N is established for the whole year N, according to your situation on January 1st N (i.e. the residence tax for 2017 is established according to your situation on January 1st 2017).

If you do not have the free disposition of the unit as of January 1 N, you should not be taxed on the property tax for year N for this unit. If you are taxed anyway, you can claim directly online from your “Espace particulier” (on the French tax administration website www.impots.gouv.fr), under "Contact Us". You will be informed by e-mail of the follow-up of the processing of your request by your public finance center.

Alternatively, you can send an e-mail or a letter to the Public Finance Center mentioned on the tax notice in the « Vos démarches/sur place » section by providing any proof of your move (e.g. a copy of the statement when vacating the dwelling “état des lieux de sortie”, an extract of deed of sale, a statement of water or electricity meters,...).

You may apply for a deferment of payment pending the deduction of the tax claimed.

What will be the rate of my residence tax?

The tax rates are voted by local authorities (towns, départements, some public establishments for inter-municipal co-operation (EPCI)) each year and can vary very strongly from one municipality to another.

It should be noted that in many cases, the real property tax is the main tax for the financing of municipalities and départements.
How much will be the contribution to public broadcasting ("contribution à l'audiovisuel public")?

In 2016, the amount for the contribution to public broadcasting ("contribution à l'audiovisuel public") was 137 €.

What are the residence tax and contribution to public broadcasting used for?

The residence tax is one of the taxes levied to the benefit of local authorities to finance services for the benefit of users (social or school expenses, sports and cultural facilities, roads, etc.). Its amount varies according to the characteristics of the taxable property (surface area, comfort elements ...), the personal situation of the taxpayer (composition of the household, income, etc.) and the tax rates voted by local and regional authorities.

The contribution to public broadcasting finances public television and broadcasting organizations (France Télévisions, Arte-France, Radio-France, France's audiovisual sector and the National Audiovisual Institute). Only one contribution is due per household and the payment is made at the same time as the payment of the residence tax.

Can I estimate my residence tax online?

The residence tax is calculated on the basis of numerous criteria linked in particular to the consistency of the taxed property.

It is therefore not possible to estimate these taxes on the website of the French tax administration.

If you wish to receive an estimate of these taxes, you must contact the department in charge of the sector in which the property is located.

What are my filing requirements in regards to residence tax?

You have no returns to file in regards to your residence tax.
**When will I receive my residence tax notice?**

The date your residence tax notice will be available depends on your situation.

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<tr>
<th>You didn’t opt for the automatic monthly payments</th>
<th>Date your tax notice will be available online on your “espace Particulier”</th>
<th>Date your papier tax notice will be sent</th>
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<td>From September 26</td>
<td>From September 30</td>
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<td>You opted for the automatic monthly payments</td>
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If you opted for the automatic monthly payment for your residence tax and your real property tax (established under the same names): you received these two notices in the same envelope.

You can find your tax notice online on the site impots.gouv.fr in your “espace Particulier”, then "Consult my personal tax situation". You can save your tax notices or print them.

If you opted for local tax notices online, you will receive a personalized e-mail inviting you to read your tax notice in your “espace Particulier”.

**When is the payment due date for my residence tax?**

In principle, the deadline for the payment of the residence tax for non-residents is **December 15th** (this deadline also applies to secondary homes). This payment deadline is indicated on your tax notice.

You can benefit from an extended payment period if you pay online on impots.gouv.fr, by smartphone or tablet. The withdrawal will be made to your bank account. You are informed of the collection date when you register your payment order.

The residence tax and contribution to public broadcasting are included on the same tax notice and must be paid at the same time by the same method of payment.
As a nonresident how can I pay my residence tax?

**Online payment**

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