



FRENCH WEALTH TAX / IMPOT SUR LA FORTUNE

Unless bilateral tax conventions otherwise dispose, individuals are subject to wealth tax ("*impôt de solidarité sur la fortune*") when the net value of their taxable estate (after deduction of debts) exceeds 790,000.00 EUR (figure as at 1 January 2009).

Companies are never liable for wealth tax. However shares of companies are taxable assets in the hands of the relevant shareholder.

N.B. Individuals who are domiciled for tax purposes outside France are only chargeable to wealth tax on their property situated in France.

Calculation of wealth tax

Taxable assets are valued at 1 January of the year in question, on the basis of their true market value. Deductions are made for all debts including loans mortgaged over a property.

The tax payable is calculated at a progressive rate over and above the exoneration threshold, which, as mentioned above is fixed at 790,000.00 EUR for 2009. The rates applicable to estates which exceed this amount are as follows:

- estate up to	790,000 EUR			0 %
- between	790,000 EUR	and	1,280,000 EUR	0.55 %
- between	1,280,000 EUR	and	2,520,000 EUR	0.75 %
- between	2,520,000 EUR	and	3,960,000 EUR	1.00 %
- between	3,960,000 EUR	and	7,570,000 EUR	1.30 %
- between	7,570,000 EUR	and	16,480,000 EUR	1.65 %
- over	16,480,000 EUR			1.80 %

LD 10/06 maj DA 01/09

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