

**FRENCH WEALTH TAX**

**UK RESIDENTS - DO NOT MISS THE DEADLINE!**

French wealth tax (impôt de solidarité sur la fortune – ISF) applies to UK residents whose French assets have a net value of more than €732,000 (£ 509,111).

The taxable base comprises the fair market value of the assets owned by the taxpaying household (husband & wife or cohabiting couple) as of 1<sup>st</sup> January. The liabilities relating to these assets (e.g. mortgage on a property) may be deductible with proper supporting documents.

However, this tax does not apply to all assets and there are a number of exclusions, in particular on businesses and non-resident financial assets.

When applicable, the ISF tax rate is based on the following (Euros):

Below 732,000	0.00%
Between 732,000 and 1,180,000	0.55%
Between 1,180,000 and 2,339,000	0.75%
Between 2,339,000 and 3,661,000	1.00%
Between 3,661,000 and 7 017,000	1.30%
Between 7 017,000 and 15,255,000	1.65%
Above 15,255,000	1.80%

UK residents must lodge their ISF Tax Returns with the *Recette des impôts des non-résidents*(9, rue d'Uzès 75094 Paris cedex 02) and pay the tax due **before 16<sup>th</sup> July** at the latest. For French tax residents, the deadline is on 15<sup>th</sup> June at the latest.

If you do not submit your return or if you underestimate the value of your taxable assets, you will incur penalties of up to 80% of the tax payable.

For further details and assistance, please contact:

**Patrick Delas**

**Avocat au Barreau de Paris**

delasp@russell-cooke.co.uk

Direct line: +44 (0) 20 8374 6387

Direct fax: +44 (0) 20 8780 1679