

# French Residents May Claim Benefits of Former France-Luxembourg Treaty for Income Earned in 2022

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Report from our correspondent Pierre Burg

French tax authorities have [announced](#) that French residents who derived certain types of income from Luxembourg in 2022 may claim the more beneficial provisions of the tax treaty between the two countries in place before 2020 for double tax relief purposes.

Under article 22 of the [France - Luxembourg Income and Capital Tax Treaty \(2018\) \(as amended through 2019\)](#), applicable since 1 January 2020, French residents are generally entitled to a tax credit equal to the French tax due concerning the Luxembourg-source income.

In certain cases, this tax credit is less favourable than the exemption method which was applicable before 1 January 2020 under article 19 of the former [France - Luxembourg Income and Capital Tax Treaty \(1958\) \(as amended through 2014\)](#).

To mitigate the less favourable effect of the new provisions concerning double tax relief, the French tax authorities already admitted that French taxpayers could claim the former exemption method for income earned in 2020 and 2021 (see [French Residents May Claim Former France-Luxembourg Treaty for Income Earned in 2020 and 2021 \(4 October 2021\)](#)).

The tax authorities extended this solution to income earned in 2022, in derogation to the rules provided for by the new tax treaty.

The updated guidelines from the tax authorities are available (in French) under the reference [BOI-INT-CVB-LUX-30](#). They emphasize that taxpayers must keep documentation proving the source, the nature, and the amount of the income subject to the derogatory rules.