USE TEMPLATE: Currency Page as the guide.

USE RIGHT HAND ELEMENTS: SIGN UP - BUYERS GUIDE - LEGGETT MAGAZINE - TOP TIP SEARCH FOR PROPERTY

USE NEW MAIN HEADER IMAGE: Capital gains tax

Use: f5a600 as the new main highlight color instead of the blue on the thick lines, headings and links.

Menu under image:

/ Info / For Sellers / Capital Gains Tax

**<<HEADER top line in the grey and line under in the yellow>>**

**Information for Sellers:**

**Paying capital gains tax on your property**

**<< Intro PARAGRAPH with yellow line to side and in georgia font>>**

Although for most people Capital Gains Tax *(plus-value)* can be an irrelevance, or fairly simple, in some cases it can be a complex issue.

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It is always worth talking to your notaire if you have any questions relating to your Capital Gains Tax. Notaires are qualified and experienced in advising on this matter and their advice is often free.

The tax that you pay is split into two parts:

* Capital Gains Tax: charged at 19%
* Social Charges (Prélèvements Sociaux): charged at 15.5%

The first thing to bear in mind is that if the French property you are selling is your 'tax residence' (i.e. the place from where you pay your income tax) you will not pay Capital Gains Tax or Prélèvements Sociaux when you sell it (although you may pay it on a gite or other 'separate dwelling' that makes up part of your property.) If you are paying your taxes in the UK and not paying tax in France, you may be liable to pay Capital Gains Tax and Prélèvements Sociaux on your French property when you sell it (if you have made a capital gain.)

If you have any doubt or questions regarding your Capital Gains Tax, book an appointment with your notaire to discuss it.

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**Tax Exemptions and allowances**

There are several exemptions and allowances based on a variety of factors. These range from:

* The length of time you have owned the property:

For the Capital Gains element of the tax there is a tapering time schedule:

* + If you owned the property for five years or less you do not get an allowance
  + If you have owned the property between six and 21 years you get an allowance of 4% per year
  + For the 22nd year of ownership you get the final 4% allowance
  + This means that for a property owned for 10 year you would get a 30% discount on the Capital Gains element of the tax, for one owned for 15 years you would get a 60% discount on the Capital Gains element of the tax

For the Prélèvements Sociaux, this tapering time schedule is slightly different:

* + If you owned the property for five years or less you do not get an allowance
  + If you have owned the property for between six and 21 years you get an allowance of 1.65% per year
  + For the 22nd year of ownership you get a discount of 1.6% for this single year
  + If you have owned the property for between 23 and 30 years you get an allowance of 9% per year
  + This means that for a property owned for 10 years you would get a 8.25% discount on the Prélèvements Sociaux element of the tax, for one owned for 15 years you would get a 16.5% discount on the Prélèvements Sociaux element of the tax
* If the property is of low value
  + If the property is sold for €15,000 you do not pay any Capital Gains Tax or Prélèvements Sociaux
* In certain circumstances if the property is being sold due to divorce
* In certain circumstances if you are elderly or disabled
* In certain circumstances if your tax residence is a rented home

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**Allowable costs and deductibles**

It is possible to deduct some costs associated with improving a property when calculating Capital Gains Tax. However 'general maintenance' on a property is not deductible so it can be difficult to pin down exactly what is and isn't eligible. Often this distinction is down to each individual notaire to define. This will also be checked by the French tax authority. There are, however, some general rules:

* DIY work is not eligible for deductions
* Only work carried out by a (usually) French registered building professional is eligible for deductions
* You will need to provide invoices for this work and often bank statements showing payments
* If you have been granted tax relief on an 'improvement' in the past (e.g. on installing energy conservation to your home) you are unlikely to receive tax relief again at this stage

**<<TOP TIP TO GO IN RIGHT HAND COLUMN>>**

**Leggett top tip....**

There are a lot of different scenarios relating to the calculation of Capital Gains Tax. If you think you are going to be likely to have to pay, it can be worth having a chat with your notaire before you put your property on the market. There may be Capital Gains Tax implications which could influence the price at which you choose to market your property.