

TAX ALERT
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The French draft Finance Bill for 2018 provides for few measures concerning companies of the real estate industry¹:

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(1) Further reduction of the corporate income tax (CIT) rate;

Fiscal year opened on January 1st				
<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
28% up to 500 000€ of taxable income; 33,1/3% above	28% up to 500 000€ of taxable income; 31% above²	28%	26.5%³	25%⁴

(2) Suppression of the 3% additional tax to the CIT applied on distributions paid as from 2018;

(3) Appreciation of the turnover retained for determining the rate of the CVAE (portion of the business license tax) generalized to all companies with share capital relationships between them of 95% or more, whether they are part of a tax consolidated group or not.

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The first two measures are favorable and aimed at strengthening attractiveness of France for investors.

The last measure corresponds to a technical correction aligning the treatment of companies not member of a consolidation tax group with companies members of a tax group.

¹ Draft Finance Bill for 2018 (Draft n°235) registered with the French Parliament on September 27, 2017 ("PLF 2018")

² 33,1/3% before PLF 2018

³ 28% before PLF 2018

⁴ 28% before PLF 2018