

TAX ALERT – March 2026
News related to the annual 3% tax¹

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Project to suppress the exemption based on a one-time commitment to communicate under the draft « Law on the fight against social and fiscal fraud »²

The amendment would require any entity that does not benefit from an exemption by nature to file an annual declaration, and would require entities not established in France to appoint a French resident person to receive their communication, under penalty that the legal entity closest to the building and known to the administration be deemed authorized to receive it on its behalf.

The parliamentary procedure and solemn vote will resume on March 31.

This project would reinforce and simplify the control procedures by the tax administration of the entities owning French located real-estate properties.

Jurisprudence decision that evaluates hotel or para-hotel activity based on the effective rental period³

The decision refers to the property-management mandate concluded by the owner company and to the rental, which includes reception, concierge services, a welcome kit, cleaning, provision of linen and breakfasts, but characterises this rental activity as residual because it concerns limited periods (in this case about a dozen days in July and August) that are modest in view of the apartments' potential and their location (in this case by the sea).

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Again, a Court⁴ requires proof that a furnished-rental activity is commercial, allowing real-estate assets to be excluded from the calculation of real-estate predominance, by referring to qualitative criteria (services accompanying the rental) and quantitative criteria (actual rental duration).

¹ Due by legal persons or entities (e.g., trusts) on their real-estate properties located in France, whether held directly or indirectly, unless they benefit from:

1. an exemption due to their nature (companies not predominantly real-estate oriented, subs of listed companies, pension funds, etc.), or
2. an exemption resulting from reporting obligations (Form 2746 filed no later than May 15, listing their partners and the properties owned, or a commitment to provide this information upon request by the administration).

² Project n°2115, Draft from the commission, n° 2250-A0 amended, article 23 bis

³ CA Montpellier, Commercial chamber, 14 October 2025 (24/01119)

⁴ Like the Court of Appeal of Chambéry in a decision dated 2 September 2025 n°22-01976 (see our December 2025 tax alert commenting on tax news relevant to the real-estate sector).