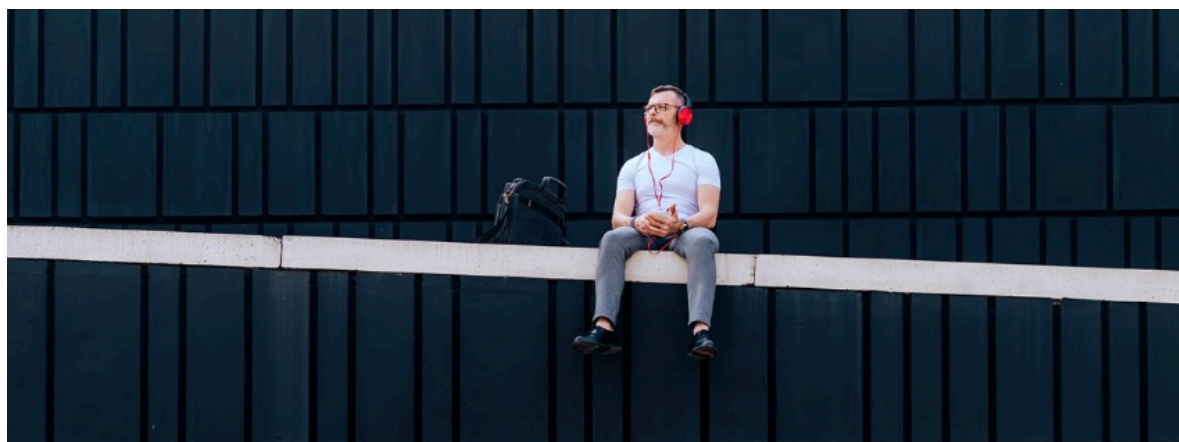


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Tax Highlights

February 2025



Tax measures in Finance Act 2025

The French Finance Bill was finally adopted on February 6th, 2025 and will become formally enacted after publication in the official gazette.

This Tax Alert summarizes some of the key tax reforms included in the Bill that may affect mainly corporate taxation and individual income tax.

Corporation tax

Exceptional CIT Surcharge for large Companies will apply to major companies, i.e. companies or French tax-consolidated groups with an annual French turnover equal to at least EUR 1 billion in the fiscal year (FY) with respect to which the surcharge is due or in the previous FY. It will be based on the average amount of CIT due by the taxpayer with respect to 2024 and 2025. This surcharge will apply to the first FY ending on or after 31 December 2025.

Introduction of a **new tax on share capital decrease subsequent to share-buyback transactions realized by large French Companies** which realized a turnover exceeding EUR 1 billion during their last fiscal year. This tax is applicable to such operations realized as from 1 March 2025, but also for the period between 1 March 2024 and 28 February 2025.

The possibility to **carry forward losses is restricted** for companies that realized losses exceeding EUR 2.5 billion in 2023, 2024 and 2025.

Other measures regarding corporate taxation include:

- amendments of the merger preferential corporate income tax regime;
- update of the French GloBE rules in order to implement the OECD Agreed Administrative Guidance;
- introduction of a beneficial ownership condition in the French tax Code for withholding tax on dividends;
- reduction of the basis of research and development tax credit;
- 0.1% increase in the financial transaction tax rate (from 0.3 to 0.4%);
- a new exceptional contribution based on large shipping company profits.

Individual Income Tax

The adopted finance Bill provides for the following measures:

- introduction of a specific tax and social security regime for management packages;
- reform of the tax regime for BSPCEs;
- adjustment of the individual income tax brackets to inflation;
- introduction of a temporary increase to a minimum taxation of 20% on high income taxpayers who declare more than EUR 250.000 for single and EUR 500.000 for couple);
- amending the rules relating to taxation of real estate capital gains derived by non-residents: possibility of lodging a claim for repayment of overpaid tax;
- extension of the statute of limitations to 10 years for the tax authorities to contest the foreign tax domicile declared by individual taxpayers;
- updating article 4B of the General Tax Code, which defines the conditions for an individual to be considered as a tax resident in France.

Other Measures

- abolition of the Contribution on companies' added value (CVAE) deferred to 2030;
- implementation of the DAC 8 Directive on crypto assets.

 See [Loi de finances pour 2025](#)

Tax Authorities publish new Form for CbCR and Pillar Two

The French tax authorities have published a new form, No.2065-INT-SD, which entities belonging to a multinational group subject to country-by-country reporting (CbCR) requirements and/or a national or multinational group subject to global minimum tax rules (Pillar Two) must file each fiscal year.



The new form allows taxpayers to fulfil these obligations. They must file the form along with the annual corporate income tax return, including for the first fiscal year when a constituent entity is no longer subject to Pillar Two rules.

Tax authorities clarify procedures for adjusting incorrectly invoiced VAT

The tax authorities have published updated administrative doctrine regarding procedures for adjusting incorrectly invoiced VAT.

See [BOI-TVA-DECLA-30-20-20-30](#), § 80

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