

Dwellings and rooms for rent

About **french taxes**

DWELLINGS AND ROOMS FOR RENT

(Rooms for short and long stays, Guest rooms)

Persons who rent dwellings are to pay taxes on the income they gain from this activity. They also are covered by the Corporate Taxes but can be exempt from VAT.

PROFITS

Rental of dwellings, as a common activity, is a trading activity which falls, as far the income tax is concerned, in the BIC (Trade and Industry Profits) category.

Those who rent a part of their main dwelling, under the conditions that rented rooms are the main place of residence of the lessor or that the rent does not exceed 760 € per year, when the tenant does not choose his/her seat therein (guest rooms), are exempted.

VAT

Rental of dwellings is in principle exempt from VAT.

The only rental activities which are taxed with VAT are those which are accompanied by at least 3 of the hotel-like services: breakfast, cleaning, bed covers and towels, reception (long stays in the countryside, bed and breakfast)

CORPORATE TAXES

Persons renting dwellings are subject to Corporate Taxes as regards rental of separate dwellings, especially when equipped for rental purposes.

The following is **exempt**:

- occasional rental of a part of an individual dwelling,
- rental of a part of the main dwelling, main place of residence of the tenant,
- rental of the personal dwelling as "Gîte de France" or "meublé de tourisme", under the condition that the dwellings are not self-sufficient and that the owners uses them when not rented.

HOUSING TAX

Owners are not taxed with the Housing Tax as regards rented rooms, especially when equipped for renting and are not their place of residence.

REAL ESTATE TAX

Furnished dwellings are subject to the Real Estate Tax.

CRL: TAX ON RENTAL REVENUE (for dwellings built more than 15 years ago)

When exempt or when the VAT is suspended the rental is subject to CRL.

Social security contributions: CSG (General Social Security Contribution), CRDS (Contribution for Reimbursement of the Social Debt), Social Security Contribution

Revenues of lessors of rooms are subject to CSG (7,5 %), to CRDS (0,5 %) and the Social Security Contribution (2%)

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