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Note d'information
Newsletter

Non-Résidents

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A new tax advantage to renovate ancient buildings.

A new tax exemption method has been in force since 1 January 2018. The «Denormandie» tax advantage allows individuals to benefit from an income tax reduction of up to 21% of the cost price of the property, up to a maximum of 300,000 euros.

Five conditions must be met to benefit from the «Denormandie» tax advantage:

- 1 - It must be an acquisition made between January 1, 2019 and December 31, 2021;
- 2 - The property must be located in one of the 222 municipalities included in the «Plan action cœur de ville» or in a municipality that has concluded territorial revitalisation operations (ORT). The list of eligible cities will be available in the coming weeks.
- 3 - The amount of the work, «invoiced by a company», must represent at least 25% of the total cost of the operation corresponding to the price of the property and the acquisition costs. It should not be a «refreshment» work;
- 4 - The property must be rented unfurnished at a so-called «intermediate» rent. The tax exemption will depend on the duration of the rental commitment made by the buyer. Lease term Reduction rate (of the total cost of the operation)

Length of rental	Reduction rate (of the total cost)
6 years	12%
9 years	18%
12 years	21%

- 5 - The maximum amount eligible for the Denormandy reduction is 300,000 euros, or 63,000 euros in total, which will be spread over 12 years, with 6,000 euros per year for the first 9 years and 3,000 for the following years.

The reduction will be included in the calculation of the cap on tax niches, which is currently €10,000 per year.

The new regulation on matrimonial property regimes. Which law for your marriage ?

A marriage is considered international when, for example, one of the spouses is a foreign national or the marriage is celebrated abroad.

It is important to consider the law applicable to their matrimonial property regime. Is it the law of the place where they get married? Their common nationality?

The rule was previously provided for in the Hague Convention of 14 March 1978. Thus, couples who married after 1992 without a marriage contract are subject to the provisions of the legal regime of the country in which they settle. But if they subsequently move to a country where the legal regime is different, they will then be subject to that regime. The law applicable to their matrimonial property regime may «change» without their knowledge.

For all persons who marry after January 29, 2019, the rule will change.

The spouses will always be subject to the law of their first common residence even if the couple subsequently moves to another country.

They will be able to choose between the law of the country in which at least one of the two has his or her habitual residence or the law of the country of which one of the spouses has nationality.



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**VIDÉO : NON-RÉSIDENTS
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