



Good to know...

Manage your deduction at source before 15 September

Deduction of income tax at source comes into effect on 1 January 2019. In the meantime, you have less than three months to choose the details of the rate you wish to apply to you. The tax authorities are offering three possibilities: the personalised rate (rate notified to you by the tax authorities following filing of your return and which is common to the whole tax household), the individualised rate (different distribution between the spouses) or the neutral rate, the basis of which is only the remuneration paid by your employer. You can change your choice of deductions on impots.gouv.fr until 15 September.

Diary dates

13/07/2018:

Taxable persons liable for VAT carrying out intra-Community transactions:

Trade of Goods Declaration and European Services Declaration for June transactions to be filed with Customs.

15/07/2018:

Businesses ending their financial year on 31/03: Payment of corporate tax instalment.

Businesses subject to the partnership tax regime who ended their financial year on 31/07/2017: payment of instalment of contribution to rental income if at least one of the partners is subject to corporate tax.

Employers subject to payroll tax (businesses exempt from VAT): Payment of tax on June or second quarter salaries.

What's new?

Individuals who plan to choose the auto-entrepreneur regime for 2019 must do so before 30 September 2018.

As part of the introduction of deduction of income tax at source, the option to use the auto-entrepreneur scheme, as [provided for in Article 151-0 of the General Tax Code](#), must be exercised no later than 30 September of the year preceding the year in which it is to take effect, for income received or earned on or after 1 January 2019.

When the BOFIP database was updated on 1 June 2018, the authorities expressly stated that, for the taxation of income **received in 2019**, the option must be exercised before 30 September 2018 (BOI-BIC-DECLA - 10-40-20 No. 30).

Information

Payroll tax: SA and SAS managers' pay is taxable

The tax authorities have just commented in the official documentation (BOFIP) on the consequences of a decision of the Council of State.

In a judgment delivered on 19 June 2017 (No 406064), the Council of State held that the pay of managers who benefit from the social security scheme is subject to payroll tax.

This applies to the Chair of an SAS and to the Chair and Managing Director of an SA.

However, minority managers of SARLs, majority managers of SARLs and sole manager-shareholders of EURLs remain outside the scope of payroll tax.

Lead holding company defined by the Council of State

Following an authoritative decision of 13 June 2018, the Council of State has ruled for the first time that a holding company whose main activity, in addition to managing a portfolio of holdings, is active participation in the conduct of group policy and control of its subsidiaries and, where appropriate, the internal provision of specific administrative, legal, accounting, financial and real estate services, is the lead within the group and must, therefore, be regarded as a company exercising a commercial, industrial, artisanal, liberal, agricultural or financial activity.

Executive tax allowance on capital gains: date of commencement of pension rights

A taxpayer seeking to take advantage of the executive tax allowance must prove that he has exercised his pension rights in the two years preceding or following the transfer. The date to be used is the first day of the month following the filing of the application.

Capital gains realised by managers selling their company when they retire are, subject to certain conditions, reduced by a fixed allowance of €500,000. In particular, the transferor must cease to have any function within the company and must exercise his pension rights in the two years following or preceding the transfer.

According to the Council of State, for persons covered by the **general social insurance scheme**, provided that the conditions for the grant of the old-age pension are actually fulfilled, this date is fixed as **the first day of the month following the filing of the application** or, if the insured so requests, at a later date, which must be the first day of a month.

**THE OFFICE WILL BE CLOSED FOR THE HOLIDAYS
FROM 30 JULY TO 20 AUGUST.**

