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Corporate tax (“impôt sur les sociétés”)

Administrative comment on the matter of two exceptional contributions applicable to the financial year from 31 December 2017 to 30 December 2018.

In this comment on two new contributions based on the corporate tax (“IS”) of the entities performing respectively a turnover equal or superior to the sum from 1 to 3 milliards euros for the financial year starting from 31 December 2017 and closing 30 December 2018, the Administration gives notably its precisions :

- Concerning the liable persons :

- the liable persons are those performing a taxable result, wholly or in part, by a corporate tax, at a rate of 33,1/3 %, 28%, 25% 19%, 15% or 0% of the profit or added value ;

- the companies members of the group of the entities excluded of the Corporate tax (“IS”) or out of the field of the tax are the subject to the contribution on the proportional share of the result of its companies ;

- the companies that have chosen a tax regime of the partnerships are not subject to the contribution ;

- a non-liability of the legal entities the beneficiary of the exonerations or of the particular regime on the matter of corporate law (“IS”) is limited to the activities that are not subject to the corporate tax on the rate aimed by article 219 of the General Tax Code (“CGI”) (ex: Real Estate Investment Company (“SIIC”) that have chosen a regime of an article 208 C of the General Tax Code (“CGI”) ;

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- Concerning turnover :
 - It is confirmed that it is intended to the sum not including the tax on the whole of the products that relate to the normal exploitation and common to the activity of the entity ;
 - the turnover does not include the financial products (unless the regulations of the sector provide it), the exceptional products and charges (except for the cases of the commissionaires opaques) ;
 - the totality of the turnover should be taken into account, taxable and exonerated of the corporate tax activity, therefore they concern a normal and common activity ;
 - the turnover should be broken down depending on territoriality of the corporate tax ;
 - in the group of the entities the turnover of the entity-new member of the group should be taken into account, but not of those that leave the group under performance subject to the contribution ;
- Concerning the liquidation, the Administrations admits that the sum of credit of the tax that could not be attributed to the corporate tax (“IS”) or on the sum of the social contribution will be attributable to the sum of the contributions while the tax convention concerning elimination of a double taxation of the tax matters on the incomes concluded by France stipulates that the tax credits attached to the incomes having their sources in the state or on the territory cocontractant of the France are attributable to the corporate tax (“IS”) and the taxes of the same nature counted in France of the incomes ;
- Concerning the sanctions :
 - The interest of late payment in the event of the default of payment is not applicable in case of not deliberate breach interior or equal to the one twentieth of the base of taxation (provision of the article 1727, II, 4 of the CGI) ;
 - The rating of 5 % for the delay of the payment (CGI, art. 1731) is not applicable since the contribution is collected following the control.

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