

Tax booklet of the creator corporate

General



Taxes**2021**

You have just created or you are about to create your company.

To convince bankers and investors of the seriousness of your company and secure the financial balance of your cash flow, the choice of tax regimes is an essential element of your business plan or the development plan of your project.

The initial choice of a tax and VAT regime as well as the changes envisaged over time are an integral part of your plan and you must be able to justify your options to your creditors. The tax regimes for your profits and VAT chosen must be mentioned on your declaration of activity taken out with your business formalities centre.

The "Tax booklet for business creators" gives you the keys to business taxation.

The Directorate General of Public Finances (DGFIP), administration at the service of companies, has written this booklet which guarantees you complete, up-to-date, impartial information, accessible to all free of charge by downloading it from the impots.gouv.fr website, professional section: Create my company > I complete the creation formalities > Useful documentation.

In addition, the business tax service (SIE) supports your company in its procedures and personally responds to all your requests for information by e-mail, telephone or post. He welcomes you by appointment to help you with your tax procedures when setting up your business or on its first anniversary. He is your single point of contact in this matter. His contact details are available at the bottom of the home page of the impots.gouv.fr website: CONTACT > Professional > Your request concerns A business in France > Business creation,

by completing the section: to find the competent service for your question, enter your address.

As a reference administration, the DGFIP invests heavily in new information and communication technologies in order to offer entrepreneurs a real simplification of their procedures and quality tax information.

The "Tax booklet for business creators" includes this brochure entitled "General" as well as a booklet specific to the category of income to which your activity falls (industrial and commercial profits and corporation tax, non-commercial profits, agricultural profits).

[Read this brochure and keep it with care. Download the annual update free of charge from the \[impots.gouv.fr\]\(http://impots.gouv.fr\) website.](#)

It contains important information concerning the choice of VAT and profit tax regimes to be made from the start of your activity as well as the deadlines to be respected for your reporting obligations for the current year. You will also find practical information there to benefit from possible exemptions, discover the latest measures resulting from the finance law or familiarize yourself with the online declarations and payments which are compulsory for everyone for your main taxes.

By creating your professional space on the impots.gouv.fr website, you can easily consult, in complete transparency and at any time (24 hours a day) the tax situation of your company, declare and pay your main professional taxes (VAT, tax on companies, ...).

By offering you this booklet, the objective of the DGFIP is to contribute to the success of your project.

Updated version of the legislative provisions in force on 1 January 2021.

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Ask about

The tax portal of the Directorate General of Public Finances (DGFIP)

The impots.gouv.fr tax portal offers you online services: information search, consultation of documentation, forms, online declaration, direct online payment, consultation of your tax account which contains, in particular, your deposit and tax from CFE and/or IFER. The impots.gouv.fr website allows you to find out about the various tax contacts in your department or to ask a question directly under CONTACT > Professional > Your specialist correspondents.

Your tax contact

For all matters relating to taxation relating to your activity, the business tax service (SIE) is at your disposal.

The contact details of this service are mentioned on impots.gouv.fr, section "CONTACT" > "Professional" > "A company in France". After choosing one of the proposed subjects, complete the section: "To find the competent service for your question, enter your address".

The SIE is the tax contact authorized to inform you about all the elements of your professional file.

The contact details of your single tax contact person also appear at the top of your tax declarations.

On certain subjects, this interlocutor is likely to direct you towards other services or correspondents.

The "new businesses" correspondent

In each regional or departmental directorate of public finance, there is a "new business" correspondent responsible for informing you about tax measures in favor of business creation. For example, it can provide you with details on the tax benefits for companies that are created in certain areas of French territory.

Above all, you can make sure with

this correspondent that you fulfill the legal conditions to benefit from certain tax reliefs.

You can find out the contact details of this correspondent by contacting your business tax department.

Do not hesitate to contact him.

The tax department individuals (SIP) or treasury

Your SIP can provide you with information on your questions relating to income tax and certain local taxes.

The ruling, a guarantee of legal certainty

This procedure allows you to obtain the analysis of the tax administration on the tax consequences of a given situation with regard to a tax text and provides you with better legal certainty. The formal statement, commonly called a rescript, commits, under certain conditions, the tax administration which cannot then proceed to any additional taxation which would be based on a different assessment of this situation.

The questions likely to be asked may concern the application of a tax text to a de facto situation, but also the application of certain tax regimes, such as the research tax credit, the status of young innovative company, etc.

You can consult the rescript space of the tax portal (impots.gouv.fr) in the section Professional > Prevent and resolve my difficulties; correct my errors > I request a rescript.

Choose a tax regime

The tax system of a company results from an individual choice of the entrepreneur adapted to his personal situation and his project. This regime revolves around the legal form, the nature of the activity carried out and the amount of turnover achieved.

Individual business

Tax system :income tax.

Taxation of profits:taxation according to a progressive scale according to all the income of the tax household.

EIRL, individual entrepreneur with limited liability.

Tax system :income tax⁽¹⁾.

Taxation of profits:taxation according to a progressive scale according to all the income of the tax household.

SARL with sole partner, natural person partner

Tax system :income tax⁽¹⁾.

Taxation of profits:taxation according to a progressive scale according to all the income of the tax household.

SARLs with a single partner can benefit from the micro-BIC regime.

Capital companies (SA, SARL, etc.)

Tax system :Corporation tax⁽²⁾. **Taxation of profits**:26.5% rate

Partnerships (SNC, SCI, SCP...)

Tax system :income tax⁽¹⁾.

Taxation of profits: depending on their quality, the partners are taxable up to their share of the profits, i.e. income tax

(partners who are natural persons) or corporation tax (partners who are legal persons subject to IS).

Nature of the activity carried out

In principle, this distinction has no impact if the company is subject to corporation tax. It only concerns companies whose profits are subject to income tax.

There are different categories of income.

Income categories professionals

Industrial and commercial profits (BIC)

If you carry out a commercial, artisanal or industrial activity (purchase and resale of goods, hotels, restaurants, rental of furnished accommodation, transport activity, etc.).

Non-commercial profits (BNC)

If you exercise a liberal activity (medical and paramedical professions, lawyer, self-employed teacher, artist, architect, consulting engineer), if you hold an office or office (bailiff, notary, etc.), if you receive royalties (writer, composer, etc.) or other profits from a lucrative exploitation not related to another category of activity.

Agricultural profits (BA)

If you receive income from the exploitation of rural assets, that is to say from cultivation and livestock farming.

Property income

If you receive income through a company whose purpose is to manage and rent out real estate assets (SCI in general).

⁽¹⁾Possible option for corporation tax (IS) under certain conditions. The option must be formulated before the end of the 3rd month of 1st relevant exercise. Partnerships and similar groupings as well as EIRLs may waive their option for corporate tax liability until the fifth financial year following that for which said option was exercised.

⁽²⁾SAs, SAs and SARLs less than five years old have the possibility of opting for the tax system for partnerships for a maximum period of five financial years. The option must be notified to the business tax department on which the company depends during the first three months of the first financial year to which the option applies. Family SARLs can, under certain conditions, opt for income tax.

⁽³⁾For financial years beginning on or after January 1 and until December 31, 2021, it is set at 26.5% or 27.5% depending on whether the company's turnover is respectively less than or at least equal to 250 M€. In 2022, the standard rate will be 25%. Note that small and medium-sized enterprises (SMEs) benefit from a reduced corporate tax rate of 15% on the first tranche of €38,120 in profits, provided that their turnover is less than €7,630,000 and that at least 75% of the fully paid-up capital be held by natural persons (or by companies that do not have the status of parent company). Beyond this amount of profit, the normal rate applies.

In addition to this brochure

"General", booklets present for each category of income the possible choices of tax regime according to your situation with regard to these different elements (legal form, activity exercised, turnover), as well as the options available for a higher diet.

Each of these categories corresponds to different tax regimes and, in consequence separate tax liabilities.

Amount of turnover achieved

For a new company, the applicable tax regime varies according to the amount of turnover actually achieved or according to the turnover that is expected to be achieved. A company can always opt for a higher regime.

The choice of income tax and VAT regimes, including for options, is made on the creation declaration forms P0 or M0(4), in the "tax options" section.

Contributions and taxes for professionals

Profits and VAT

The forms that you must subscribe to are indicated in the booklets presenting the industrial and commercial profits, the non-commercial profits and the agricultural profits.

Note: even in the absence of turnover, your results and VAT declarations must be electronically transmitted no later than the filing deadlines. Refer to the important information mentioned under the heading “Dematerialized Procedures” below.

Attribution of the intra-community VAT number

When the conditions are met, an individual VAT identification number is assigned to the company by the DGFIP services after INSEE provides a Siret number.

This number must appear on the VAT declarations as well as on the invoices and documents relating to intra-Community trade as well as trade declarations (of goods or services).

This system makes it possible to guarantee the security of exchanges between taxable persons within the European Union. Thus, the numbers assigned to French companies can be verified by companies and administrative authorities in other Member States; in return, French companies can ensure the validity of the identification number of companies from other Member States with which they contract using the VIES automated VAT information exchange system

(http://ec.europa.eu/taxation_customs/vies).

Territorial economic contribution

Companies are liable for the territorial economic contribution (CET), the proceeds of which are paid to local authorities (municipalities, public establishments for inter-municipal cooperation, departments, regions). This contribution is composed, on the one hand, of the business property contribution (CFE) calculated

on the rental values of property liable to a property tax and, on the other hand, to a contribution on the added value of companies (CVAE) calculated on the added value of companies.

Property tax on companies

The year of the creation (entirely new operation or within the framework of a change of operator) of your activity or its transfer, you must subscribe, no later than December 31, a declaration n° 1447-C paper (or by sending, on the e-mail service, the dematerialized form downloaded) to your company tax department (SIE).

In the following years, you do not have to complete any formalities if you do not modify the conditions of exercise of your activity. Otherwise, you must file, no later than the second working day of May of the year following that of the modification, a declaration n° 1447-M-SD; the elements declared will then be taken into account for the taxation of the following year. The same applies to the benefit of certain exemptions or tax credits.

Remark : exemption schemes may require the filing of an additional declaration n° 1465-SD (for more information, contact your SIE).

Business value added contribution (CVAE)

Companies with a turnover of more than €152,500 are subject to the contribution on the added value of companies calculated according to a rate of 0.75% applied to the added value.

With regard to companies liable for CVAE (i.e. those whose turnover is greater than €500,000), payment is made by means of two electronically declared and electronically paid installments to the support of form no. 1329-AC of 50% each on June 15 and September 15 and declaration of liquidation and regularization no. 1329-DEF which must be electronically transmitted no later than the second working day following May 1 of the 'Next year.

However, companies whose turnover does not exceed €50,000,000 benefit from a reduction; they are therefore taxed according to a

progressive and variable scale according to their turnover.

To the amount of the CVAE is added an additional tax, collected for the benefit of the regional chambers of commerce and industry, collected according to a national rate (3.46% of the CVAE due from 2021).

In addition, companies whose turnover is greater than €152,500 are required to electronically transmit declaration no. 11330-CVAE-SD mentioning the added value, the turnover and the number of employees employed by the company broken down by place of employment⁽⁵⁾.

However, under certain conditions, single-establishment companies within the meaning of the CVAE, can indicate (table E of the tax returns) the CVAE information on their declaration of results.

Flat-rate tax on network companies (IFER)

This tax concerns certain taxpayers carrying out their activity in the energy, rail transport and telecommunications sectors.

Institutions newly imposed on the IFER must file declaration no. 1447-M-SD, accompanied by the appendix corresponding to the component of the IFER concerned, no later than the second working day following May 1 of the year of taxation.

In subsequent years, a statement No. 1447-M-SD must be filed only in the event of modification of any element of the previous declaration. However, for certain components of the IFER, an annual filing of the declaration may be necessary.

Tax on commercial surfaces (TASCOM)

The tax is payable by operators of commercial surfaces (retail sale) of more than 400 m² whose turnover is at least equal to €460,000 and operators whose cumulative sales area of all establishments exceeds 4,000 m².

These operators must file TASCOM Liquidation and Payment Statement No. 3350-SD no later than June 15 of each

year or on the 15th of the sixth month following the termination of the business, if the latter occurs during the year.

Establishments whose sales area exceeds 2,500 m² are liable for a 50% deposit declared and paid in support of declaration no. 3350-SD.

Payroll tax

Payroll tax is payable by all natural or legal persons who pay salaries, wages, allowances and emoluments and who:

- are not subject to VAT;
- or have not been for at least 90% of their turnover for the calendar year preceding that of payment of remuneration.

The payroll tax base is aligned with that of the general social contribution (CSG) applicable to earned income.

Sums paid as remuneration to employees are subject to payroll tax, with the exception of those corresponding to social security benefits paid through the employer.

The tax includes a normal rate of 4.25% applied to annual individual gross remuneration and increased rates when annual individual gross remuneration exceeds a certain threshold.

From the remuneration paid in 2021, the rate of 4.25% is increased to:

- 8.5% for the fraction greater than or equal to €8,020 and less than or equal to €16,013,
- 13.6% for the fraction above €16,013.

For partial taxable persons⁽⁶⁾, the amount of tax due is determined after application of the tax percentage constituted by the ratio between the turnover not liable to VAT and the total turnover.

By the 15th of each month or each quarter at the latest, the employer must electronically transmit a provisional payment statement (form no. 2501-SD), accompanied by electronic payment of the sums due. However, no provisional payment statement is to be transmitted for the last month or quarter of the year:

the amount of the tax due is paid with the adjustment made during the electronic transmission of the annual declaration (no. 2502) on 15 January following the one for which the tax is due.

The payment frequency is determined as follows:

- amount of tax paid for the previous year greater than €10,000: payment is monthly;
- amount of tax paid for the previous year between €4,000 and €10,000: payment is quarterly;
- amount of tax paid for the previous year less than €4,000: payment is annual.

The annual adjustment declaration (form no. 2502) must be electronically transmitted on January 15 of the year following that for which the tax is due.

All companies must also indicate on the nominative social declaration if they are subject and the corresponding subject bases.

Participation of employers in the construction effort (PEEC)

Employers employing at least fifty employees are liable for the employers' participation in the construction effort. They must declare their liability and the PEEC base on the nominative social declaration (DSN) or declaration n° 2460, for companies that do not come under the general social security system.

Employers who have not or insufficiently invested during a year are liable for a contribution of 2% calculated on the remuneration paid by the company during the previous year.

This payment, accompanied by a payment slip no. 2485-SD, must be made no later than April 30 following the year in which the remuneration is paid.

Paperless procedures

A wide range of solutions is offered to companies so that they consult, declare and pay their main taxes electronically. The following declarations, regulations and consultations are dematerialized:

- VAT credit declarations, payments and refund requests;
- the declarations of results and their annexes,
- declaration of added value and salaried employees (no. 1330-CVAE);
- the CVAE liquidation and adjustment declaration (no. 1329-DEF) and the CVAE down payment statements (no. 1329-AC);
- consultation of advance payment and tax notices from CFE and/or IFER;
- payment of IS, TS, CFE and/or IFER, CVAE, RCM, property tax;
- and most of the declarations of tax credits and reductions.
- Thus, all your steps are facilitated by teleprocedures.

Two modalities are offered for professional teleprocedures.

By transmission of computer files:

Electronic Data Interchange (EDI mode) allows the transmission of files containing declarative or payment data to the administration.

The transmission is generally carried out and managed by the company's accounting-management service provider (chartered accountant, approved management body, management and accounting association, etc.).

It can sometimes be done directly by the company through an EDI partner. The steps to take to use remote procedures in EDI mode are explained on the website impots.gouv.fr Professional section >

Manage my company/association > I declare and pay my company's taxes > "Online help" section at the bottom of the page > "Help with online tax procedures – EDI procedure".

By Internet :

The services offered online allow you to enter declarations and, where applicable, the corresponding payments or reimbursement requests directly on the site. In addition, you can also consult your tax data such as the opinions of CFE and/or IFER.

These services are accessible on the website impots.gouv.fr: choose the button "Your professional space", then click on the link "Create my professional space". You can then create your professional space in simplified mode. This gives you direct access to all the services offered for your business. You can also create your professional space in expert mode, then join the online services by entering the membership form and sending it with the required documents to the tax department (SIE) on which your business depends.

In both cases, the creation and access to the professional space is done by means of an identifier and a password.

The steps to take to use the online services are explained on the website impots.gouv.fr Professional section > Manage my company/association > I declare and pay my company's taxes > "Online help" section at the bottom of the page > "Help with online tax procedures – EDI procedure".

| | EDI | online services |
|--|-----|--|
| Returns, payments and VAT credit refund requests | YES | YES |
| Declarations of results and their annexes | YES | YES for the BIC, IS and BA simplified regimes, the BNC controlled declaration and the declaration of simplified property income No. 2072 S. |
| CVAE declaration of added value and salaried employees | YES | YES only for those who benefit from the exemption from declaration no. 1330 and can include these elements in the declaration of results and who come under the schemes simplified BIC/IS or the BNC controlled declaration. |
| IS, TS, CVAE and RCM payments | YES | YES |
| CFE payments | NO | YES |
| Property tax payments | NO | YES |
| Consultation of CFE and/or IFER notices | NO | YES |
| Declarations of credits and tax reductions | YES | YES |

Mandatory teleprocedures

You are required to use professional teleprocedures from your first due date to:

- your declarations, payments and requests for reimbursement of VAT credit under the normal or simplified real regime;
- your statements of results and their annexes;
- your CVAE declarations, your IS, TS and CVAE payments;
- your CFE payments (remote payment in Sepa format, monthly direct debits or on the due date);
- your property tax payments if the amount is over €300 (electronic payment in Sepa format or monthly direct debits or on the due date).

Failure to comply with this obligation gives rise to the application of penalties.

Remote payment in Sepa format

Electronic payment of professional taxes is made via a Sepa inter-company direct debit (B2B) for VAT, IS, TS, CVAE and RCM, and via a Sepa CORE direct debit for CFE and property taxes.

You must enter the bank accounts used for the payment of these taxes in your professional space on the portal impots.gouv.fr. To do this, you

must first subscribe to an online payment service, even if you make remote payments in Sepa format in EDI mode.

Before any first tax payment or reverse charge using a new bank account, you must edit the Sepa B2B mandate online, sign it and send it to your bank.

This transmission must be sufficiently in advance, so that this mandate is taken into account by your banking institution prior to your remote payment in Sepa format.

For the CFE, by validating your payment order online, you sign the Sepa CORE mandate which is archived by the tax authorities but which does not have to be sent to your bank.

Regardless of the date on which the remote payment is made in Sepa format, the sums are debited at the earliest on the due date, which allows you to make an early declaration and payment without financial prejudice.

In addition, no bank management cost is borne by your company.

The professional space: your link with the online administration

To simplify your tax procedures, subscribe to the online services offered on

impots.gouv.fr("your professional space" is indicated in red).

On the site **impots.gouv.fr**, you can create your professional space to benefit from free and secure online services.

The section Documentation > Teleprocedures for professionals will guide you by explaining how to carry out these operations in three steps.

From your professional space, you can:

- consult your tax account: this gives you an overview of your declarations, requests for reimbursement of VAT credit, payments and allows you to view your advance payment and tax notices from CFE and/or IFER ;
- access online VAT declaration and payment services to declare, pay your VAT or submit your VAT credit refund request;
- pay your other taxes: corporation tax, payroll tax, territorial economic contribution (CFE and CVAE) and property taxes;
- carry out and monitor your procedures online (VAT credit reimbursement procedure, including the procedure for another Member State of the European Union);
- download tax certificates;
- have access to selected tax information: you can receive and store, in a document binder, the tax information corresponding to your centers of interest.

You can customize your tax diary according to your tax deadlines.

Online services, a practical everyday tool

A single point of entry that allows you to access all online services: "Your professional space".

Your tax account offers a view identical to that of the administration. You thus follow your tax data in total transparency and therefore benefit from an additional dialogue tool with your single tax contact.

Guaranteed data confidentiality thanks to the secure connection modes available to you.

requested each time you connect to your professional space.

Online services available 24/7.

Cash savings: when you pay online, the amounts due are debited at the earliest on the due date.

Help available on the site **impots.gouv.fr**to support you in your online procedures: practical sheets, contacts for online assistance with teleprocedures.

Secure messaging professionals

A secure messaging system accessible from your professional space, allows you to carry out your procedures online, by type of tax (information, complaint, etc.).

How to access these services?

Go to the home page of the site **impots.gouv.fr** and click on the "Your professional space" button then on the "Create my professional space" link.

You can then create your professional space in simplified mode, which gives you direct access to all of your company's services, including, for example, "Declare VAT" and "Pay VAT".

If you manage several companies (in the case of chartered accountants for example), you can create your professional space in expert mode, then subscribe to the "Declare VAT" and "Pay VAT" by entering the membership form and sending it with the required documents to the business tax service (SIE) on which your own business depends.

You can now embark on the path of complete and shared management of your tax file with the administration.

Dates to respect

- The electronic transmission of the declarations of results for all companies, whatever their category of income, whose deadline is fixed in May, must be carried out no later than the 2nd working day following May 1st. Additional time is granted to users of teleprocedures to carry out the

electronic transmission of their declarations of results. This period is set at 15 calendar days beyond the deadline for filing declarations. It applies to any company carrying out a remote transmission of its declaration of results online (via the EFI-RP procedure / exchange of computerized forms - professional results) or by transmission of files (EDI -TDFC / computerized data exchange data transfer tax and accounting).

Industrial benefits and commercial

Companies whose activity is subject to income tax

Micro diet: Indication of the turnover for the year on income tax return no. 2042-C-PRO: the deadline for filing income tax returns is specified each year according to a schedule and terms set by the administration and published on the website impots.gouv.fr.

Normal or simplified real regime:

Compulsory dematerialized transmission of the declaration of all results and its annexes: second working day following May 1(7).

Companies liable to corporation tax

Compulsory dematerialized transmission of the annual declaration of results and accompanying documents, for:

- fiscal years closed during the year: within 3 months of the closing,
- fiscal years ended December 31(7),
- no closing of the financial year during the year(8);

Payment of corporation tax:

- installments: March 15, June 15, September 15, December 15,
- corporation tax balance: the 15th of the fourth month following the end of the financial year, ie May 15th for financial years ending on December 31st.(9).

Non-commercial benefits

BNC special declaration regime:

Indication of income for the year on income tax return no. 2042-C-PRO: the deadline for filing income tax returns is specified each year according to a schedule and terms set by the administration and published on the website impots.gouv.fr.

Regime of the controlled declaration:

Compulsory dematerialized transmission of the declaration of results and its annexes: second working day following May 1(7).

Farmers

Micro-BA diet:

Indication of income for the year on income tax return no. 2042-C-PRO: the deadline for filing income tax returns is specified each year according to a schedule and terms set by the administration and published on the website impots.gouv.fr.

Simplified or normal real regime: Simplified or normal real regime: compulsory dematerialized transmission of the declaration of all results and its appendices on the second working day following May 1(7).

Value added tax (simplified regime)

Companies liable for IS or IR (BIC or BNC)

Compulsory dematerialized transmission of the declaration of regularization and payment:

CA12 declaration: second working day following the 1^{er} May⁽¹⁰⁾

- installment payments: July, December.

Companies placed under the simplified VAT regime for agriculture

Compulsory electronic transmission of the declaration of regularization and payment:

Compulsory electronic transmission of the CA12 A declaration: 2ⁱⁿ next working day 1^{er} May⁽⁷⁾ (11);

- maturity bulletin: May 5, August 5, November 5, February 5;
- if option for remote transmission of quarterly CA3: May 5, August 5, November 5, February 5.

Additional taxes based on salaries

Participation of employers in the construction effort

Submission of social declaration no. 2460 on January 31 or electronic transmission of the nominative social declaration (DSN) on the 5th or 15th of the month following the payroll month.

Payroll tax

Electronic transmission of the annual declaration of liquidation and regularization of the tax on salaries (n° 2502) on January 15th.

Declaration of the bases subject to the filing of the nominative social declaration (DSN) on the 5th or 15th of the month following the pay month mentioning the bases at the normal rate and at the increased rates and amount per employee on the DSNs filed every month at the later than the 5th or 15th of the following month at normal rate only.

Property tax on companies

Filing with the SIE (in paper format or by sending the downloaded dematerialized form to the service's e-mail) of declaration no. 1447-C no later than December 31 of the year during which the

creation, change of operator or transfer of activity has taken place.

Filing with the SIE (in paper format or by sending the downloaded dematerialized form to the service's e-mail) of declaration no. 1447 M-SD on the second working day following May 1, the elements declared being taken into account for establishing the tax for the following year.

Flat-rate tax on network companies

Filing with the SIE in paper format or by sending to the service's e-mail service, the dematerialized form downloaded from declaration no. 1447-M-SD accompanied by annexes no. 1519 HA, 1599 quarter A, 1599 quarter A bis or 1599 quarter B on the second business day following May 1 of the tax year.

Payment of CFE and IFER

Compulsory dematerialized payment (monthly direct debit or on the due date, direct online payment) of the business property tax and the flat-rate tax on network companies by 15 December at the latest.

In addition, a deposit is due no later than June 15 of the tax year if the contribution for the previous year was at least equal to €3,000.

NB: the advance and tax notices can only be consulted online in the professional tax account. The creation of a professional space on the impots.gouv.fr site is a mandatory preliminary step for consulting the opinions of CFE and/or IFER. This approach must be anticipated by companies before the deadlines for payment of CFE and/or IFER notices (June 15 for the deposit and December 15 for the balance) in order to allow them to consult and pay for their notices within the time limit.

Subscription to direct debits is taken into account to pay the tax for the current year:

- until midnight June 30 for the monthly direct debit;
- until May 31 (advance) or November 30 (balance) for direct debit at maturity.

Contribution on the added value

Dematerialized transmission (only by the EDI procedure) of the declaration of added value and the number of employees (n° 1330-CVAE): no later than the second working day following the 1^{er} may⁽⁷⁾.

Businesses covered by the micro regime which achieve a turnover of between €152,500 and €176,200 can submit a paper declaration.

Companies liable for CVAE must pay (deposit statement no. 1329-AC de CVAE) no later than:

- on June 15 of the tax year, a first installment equal to 50% of the CVAE;
- on September 15 of the tax year, a second installment equal to 50% of the CVAE.

Installments are due by companies whose CVAE due for the year preceding that of taxation is greater than €3,000.

Electronic transmission of the declaration of liquidation and regularization of CVAE (no. 1329-DEF): no later than 2th working day following the 1^{er} May following the tax year.

Possible exemptions

Creation of a new business in certain geographical areas

New businesses established in regional aid areas, rural revitalization areas, employment areas to be revitalized, urban areas to be revitalized can benefit from the following tax exemptions.

Profit tax (income tax or corporation tax)

Creation of activities in: regional aid areas, rural revitalization areas, employment areas to be revitalized

Activity located in a regional aid zone: companies carrying out an industrial, commercial or craft activity and falling under the actual tax system created until 31 December 2022 can benefit, under certain conditions, from a total exemption during the first twenty-four months of activity, then a reduction of 75%, 50% and 25% on the profits made during each of the following three periods of twelve months.

Activity located in a rural revitalization area:

Companies with less than 11 employees who create or take over an industrial, commercial or craft activity, subject to an actual tax regime in a rural revitalization zone (ZRR) until 31/12/2022 inclusive, benefit under certain conditions from a total exemption from tax on profits for a period of five years followed by a period of partial degressive exemption of three years (i.e. a total exemption for five years, then up to 75% , 50% and 25% on profits made in each of the following three twelve-month periods).

Activities established in employment areas to be revitalized

Companies that carry out their industrial, commercial or craft activity, regardless of the tax system, in an employment area to be revitalized (BER) until December 31, 2022

benefit from a total period of tax exemption on profits made up to the 60th month following the start of activity in the zone (ie over 5 years).

Activities established in urban basins to be revitalized:

This measure applies for the first time to the taxation of profits made in 2018 and taxable in 2019 for income tax companies and for fiscal years beginning on or after January 1, 2018 for taxable companies. on companies. This measure is extended to companies created between January 1, 2019 and December 31, 2022 located in a municipality classified as an "urban area to be revitalized" and whose list was established on January 1, 2019.

Creation of activities in priority development areas:

Companies, created between January 1, 2019 and December 31, 2022, located in one of the priority development zones, which carry out an industrial, commercial or craft activity within the meaning of article 34 of the general tax code, are exempt from tax. income tax or corporation tax on profits made (with the exception of capital gains from the revaluation of assets), until the end of the twenty-third month following that of their creation. Profits are only subject to income tax or corporation tax for one quarter, one half or three

quarters of their amount depending on whether they are made, respectively, during the first, second or third period of twelve months following this period of exemption.

Property tax, business property tax and business value added tax

Creation of activities in: regional aid areas, rural revitalization areas, employment areas to be revitalized

Exemption for the two to five years following that of creation for new companies benefiting from the exemption from tax on profits. This partial or total exemption is subject to a deliberation by the municipalities and public establishments for inter-municipal cooperation with their own taxation concerned and, for the contribution on the added value of the companies, the departments and regions concerned.

In addition, in terms of business property tax and business value added tax, and independently of income tax, it is possible to benefit from an exemption:

- for a maximum period of five years (subject to conditions and unless otherwise decided by the municipalities and public establishments for inter-municipal cooperation with their own taxation concerned and, for the contribution on the added value of the companies, departments and regions concerned), in the event of creation of establishments in the areas of rural revitalization or employment areas to be revitalized before December 31, 2022;
- for a maximum period of five years (subject to conditions and upon deliberation by the municipalities and public establishments for inter-municipal cooperation with their own taxation concerned and, for the contribution on the added value of the companies, the departments and regions concerned) in the event of the creation of establishment of less than 150 employees in the priority districts of the policy of the city or in the event of realization of certain operations in the zones of assistance

for regional purposes or investment aid zones for small and medium-sized enterprises;

- for a period of five years (unless otherwise decided by the municipalities and public establishments for inter-municipal cooperation with their own taxation and, for the contribution on the added value of the companies, departments and regions concerned) in the event of the creation or extension of an establishment by a micro-enterprise within the meaning of the Community texts carrying out a commercial activity in the priority districts of the city policy . From the tax due for the year 2017, the benefit of the exemption is extended to companies employing fewer than 50 employees and whose annual turnover excluding tax or the balance sheet total is less than 10 million euros.

Creation of activities in an urban basin to be revitalized

Companies benefiting from the exemption from tax on profits in the urban areas to be revitalized (see above) benefit from a temporary exemption from property tax for companies applicable by law to their establishments created in one of the urban areas to be revitalized. boost between January 1, 2018 and December 31, 2022.

This exemption applies, for seven years from the year following the creation of the establishment, to half of the net taxable base for the benefit of each local authority or public establishment for inter-municipal cooperation with its own tax system. It is followed by a degressive reduction period of three years.

Companies benefiting from this legal exemption may, on the deliberation of the municipalities and public inter-municipal cooperation establishments with their own taxation, benefit from an additional exemption from property tax for companies, of the same duration, relating to the second half of their net base. taxable.

Creation of an activity in an urban free zone-entrepreneur territory (ZFU-TE) and a defense restructuring zone (ZRD)

Urban free zone - Entrepreneur territory

Income tax (IR or IS)

Companies which, regardless of their tax system, create an industrial, commercial, craft or liberal activity benefit, under certain conditions, from an exemption on profits from activities established in the zone for the first five years and then according to a scale declining in the following years, up to 60%, 40% and 20% respectively for the following 3 years.

For activities created in these areas from 1 January 2015, the duration of application of the decreasing reduction is reduced and reduced from fourteen to eight years.

In all cases, the exempt benefit cannot exceed €100,000 per period of twelve months, increased by €5,000 per new employee resident of Zones Franches Urbaines-Territoires Entrepreneurs (ZFU-TE) and employed for at least twelve months.

For activities created from January 1, 2015, the ceiling for exempt profit is reduced from €100,000 to €50,000.

Property tax

Exemption for a period of five years unless otherwise decided by local authorities. You will find the list of eligible areas on the website i.ville.gouv.fr.

Defense Restructuring Zone

Income tax (IR or IS)

Companies that create an industrial, commercial and craft activity benefit under certain conditions, the following benefits and exemptions: exemption on profits from activities established in the zone during the first sixty months of activity. It then rises to

67% of profits for the following twelve months, then at 33% of profits during the

another twelve months thereafter.

Business property tax and business value added tax

Exemption from business property tax and business value added contribution for five years, subject to conditions and upon deliberation by the municipalities and public inter-municipal cooperation establishments with their own taxation and, for the business value added tax, departments and regions concerned.

Property contribution tax credit for companies of €750 per employee employed for at least one year in an establishment assigned to a commercial or craft activity, if this is located on 1 January of the year in respect of which it is carried out the first loan application, in a municipality covered by the system (12) and if the establishment is part of a company employing at most 11 employees and whose turnover is less than €2 million.

To benefit from the tax credit, companies must indicate each year on declaration no. 1447 M the number of employees employed for at least one year on 1 January of the year in which this declaration is filed.

Exemption from property tax, under certain conditions, for five years upon deliberation by local authorities.

Creation of a young innovative company (JEI) or university (JEU)

Companies that incur research and development expenditure can benefit, under certain conditions, from tax relief.

JEI status is reserved for genuinely new companies. It applies to companies created until December 31, 2022. Companies can request a rescript to ensure eligibility for one of these systems (L80 B 4° of the CGI).

Income tax

For fiscal years or tax periods beginning on or after January 1, 2012,

(12) Commune defined in 2° of 3 ter of article 42 of law n° 95-115 of February 4, 1995 on orientation for the planning and development of the territory.

total exemption from tax on profits for the first profitable year and application of a 50% allowance for the following profitable year.

Property tax, business property tax and business value added tax

Exemption for seven years from property tax on built properties, property contribution for companies and contribution on the added value of companies under conditions and on the deliberation of the municipalities and public inter-municipal cooperation establishments with their own taxation concerned and, for the contribution on the added value of the companies, departments and regions concerned.

Activities located in priority development zones (ZDP)

Income tax

This system benefits, under certain conditions, companies created between 1st January 2019 and December 31, 2022 regardless of their tax regime. The exemption is reserved for industrial, commercial or craft activities.

- exemption from income tax or corporation tax on profits made, with the exception of capital gains recorded during the revaluation of assets, until the end of the twenty-third month following that of their creation. They benefit from a reduction of 75% the third year, 50% the fourth year and 25% the fifth year.

Land tax and contribution on the added value of companies

- Subject to conditions (see article 1466 B of the CGI), an exemption from property tax for companies (CFE) for a period of 7 years. The exemption is partial – up to 50% of the net taxable base for the benefit of each local authority or public establishment for inter-municipal cooperation (EPCI) – or total if the local authority has deliberated in this direction.

For the three years following the exemption period, the exempt base for the last year of application of the exemption is subject to a decreasing reduction over three years (75%, 50% and 25%);

- Subject to conditions, an exemption from the contribution on the added value of companies (CVAE) for a period of 7 years accompanied by a gradual exit from the system exemption over three years (see above).

Activities established in a free zone of new generation activity (ZFANG) in the overseas departments

Income tax

The tax deduction on profits in favor of farms located in Guadeloupe, Guyana, Martinique, Mayotte or Reunion, provided for in article 44 quaterdecies of the CGI concerns companies falling within the definition of SME in sense of community (company with a maximum of 250 employees and annual turnover of less than 50 million euros).

Companies carrying out an agricultural activity or an industrial, commercial or craft activity may benefit from this relief, regardless of the tax system.

The profits of these companies may be subject to a 50% allowance for each financial year. The allowance applied is capped at €150,000 for a year or a tax period of twelve months. If the company's financial year runs over a period of less or more than twelve months, a pro rata calculation should be made to assess the maximum amount of abatement applicable under the ZFANG.

The ZRR and ZFU-TE tax aids are being phased out in these territories in favor of the ZFANG scheme. No new company will be able to benefit from these two measures abolished from December 31, 2018. The situation of companies that already benefit from exemptions is not, however, called into question.

Business property tax and business value added tax

Establishments located in Guadeloupe, Guyana, Martinique, Reunion or Mayotte and operated by a company meeting the conditions to benefit from the tax deduction on profits (see above) benefit, under conditions and without deliberation contrary to municipalities and public establishments

of intermunicipal cooperation with their own taxation concerned, a reduction in the tax base of the CFE within the limit of an amount of €150,000.

This device is permanent. The applicable abatement rate is 80%. It is increased to 100% for establishments located in Guyana and Mayotte, as well as for those carrying out certain activities.

Exemption from minimum business property tax for taxpayers with a turnover of less than or equal to €5,000

- Persons liable for the CFE taxable, at the location of their main establishment, on a minimum basis due to a rental value of the occupied premises lower than this basis or the absence of occupied professional premises, are subject to a so-called minimum contribution. However, they are exempt from this contribution
 - as well as consular taxes to which they may be subject – when they achieve a turnover of less than or equal to €5,000.

Activities located in a research and development area of a competitiveness cluster

Companies participating on November 16, 2009 in an approved research and development project benefit from the following tax relief.

Income tax

Total exemption for the results of the first three profitable years and application of a 50% allowance for the following two profitable years.

These advantages apply to profitable years, which are not necessarily consecutive, for a maximum period of one hundred and twenty months counted from the start of the research work.

Property tax and business value added contribution

Exemption for five years from property tax on properties built under conditions and upon deliberation of the municipalities and public establishments for inter-municipal cooperation with their own taxation, including for projects approved after November 17, 2009.

In order to check whether your company can benefit from these exemption measures, you can contact your tax department or the “new companies” correspondent of the regional or departmental public finance directorate of your department.

Micro-enterprises

The declaration of activity on a microentrepreneur form automatically constitutes a request for the application of the microenterprise scheme for social security contributions and a micro-fiscal scheme (micro BIC or special BNC) for income tax. Under conditions,

the micro-entrepreneur can opt, on this same form, for the discharge payment of his income tax.

How to pay your taxes?

Please note: electronic payment (monthly direct debit or on the due date, Sepa direct debit) is mandatory for the payment of most business taxes (see the "mandatory online procedures" section).

Payment of taxes and duties can also be made in cash within the limit of the threshold set in article 1680 of the general tax code (for 2021, this threshold is €300), by bank or postal check, by transfer and in certain cases by interbank payment order (TIP).

Remote payment in Sepa format

He is mandatory for the payment of VAT, IS, TS and CVAE.

He can also be used for the payment of the CFE and the IFER.

It is the most modern, safest and most flexible way of paying your tax. It has significant economic benefits.

Please refer to the "dematerialized procedures" section (impots.gouv.fr: Home > Professional > Managing my business/association > I declare and pay my company's taxes).

Monthly direct debit and direct debit at maturity

In terms of CFE, IFER and TF (property tax), companies can also opt for the monthly levy or on the due date to pay their tax.

The payment of the tax is simplified since once the effective adhesion, the samples are carried out without intervention on your part.

You can thus benefit from a free and automatic direct debit from the chosen account and, if you have opted for direct debit on the due date, you are guaranteed to be debited at the earliest on the due date.

Signing up and managing your contract can be done on the impots.gouv.fr website, from the home page of the professional space by clicking on "Manage my direct debit contracts" in the "MY SPACE" section. provided with your tax number and your tax notice reference (for a subscription) or your contract number (for an update).

Join an approved management organization

Approved management centers and approved mixed management bodies are intended for persons carrying out a commercial, industrial, craft or agricultural activity.

Approved associations and approved joint management bodies are intended for persons exercising a liberal activity and holders of offices and offices.

What is their role ?

The purpose of these bodies is to provide companies with technical assistance in management, accounting and training.

They also have a prevention mission consisting of:

- detect and prevent any tax anomalies;
- detect economic and financial difficulties.

What are the advantages ?

On the condition of having been a member for the entire duration of the financial year concerned, membership of an approved management organization allows you to benefit from tax advantages insofar as the member is subject to an actual tax system (by right or optionally).

Thus, members of an approved management organization benefit from:

- an exemption from the increase in income taxed in the category of BIC, BNC, BA. For the calculation of income tax for the year 2021, the profit of professionals is multiplied by a coefficient of increase of 1.15 for the determination of taxable income.

The finance law for 2021 has gradually reduced this increase coefficient for non-members of an approved management body. It will be 1.10 for the taxation of income for 2022 and will be abolished from the taxation of income for the year 2023;

- the reduction in income tax for costs of keeping accounts and membership of the organization within the limit

maximum of two-thirds of the expenses incurred for keeping the accounts and, possibly, for joining an approved management organization for members whose turnover or income is below the limits of the micro-BIC schemes (activities commercial) or special-BNC (liberal activities) or micro BA (agricultural activities) having opted for an actual tax regime. This reduction, capped at €915 per year, applies to the amount of income tax within the limit of this amount;

- the exemption from tax increases for new members who spontaneously reveal the shortcomings of the declaration within 3 months of their joining when these shortcomings, inaccuracies or omissions have not been the subject of an administrative or legal procedure or of a proposal for correction.

Customers or members of a professional accountant authorized in this respect by the tax authorities and agreed with the latter also benefit from the non-increment of their income.

professionals.

When to join?

You can join at any time. However, in the event of first membership, the benefit of tax advantages is acquired only if you have joined within 5 months of the opening date of your financial year, or the start of your activity.

This booklet is a simplified document which cannot replace a reference to the legislative and regulatory texts or to the instructions applicable in the matter.

GLOSSARY

Abatement:reduction of the tax base.

Tax base :amounts withheld by the tax authorities to calculate the amount of tax.

CFE:Property tax on companies.

Tax credit: sum deducted from the gross amount of tax to be paid pursuant to a tax provision which may give rise, under certain conditions, to a refund if it exceeds the amount of the contribution due.

CSG:Generalized Social Contribution.

CVAE:Contribution on the Added Value of Companies.

DGFIP:General Directorate of Public Finance.

DSN:Nominative social declaration

VAT exemption:tax system allowing, under certain conditions, exemption from the collection, declaration and payment of value added tax (VAT) by the company on behalf of the State.

impots.gouv.fr:official site of the French tax administration on which are available forms, information and can be made online declarations and online payments.

IFER:Flat-rate tax on network companies.

IS:Corporation tax.

Micro diet:tax system according to which the profit taxable to income tax is calculated by applying a flat-rate allowance representing charges on declared professional income.

Tax system :determines the method of calculating the taxable profit and the periodicity of the declarations and payment of the tax.

Rescript:system aimed at guaranteeing the tax certainty of the situation or of a particular operation of a company; see definition of the rescript on impots.gouv.fr

EIS:Business Tax Service.

SIRET:unique identification number assigned by INSEE from the Business and Establishment Directory Identification System (SIRENE) which lists businesses and their establishments

and used by all administrations.

Release payment:mechanism for the advance and voluntary payment of tax calculated according to a flat rate, definitively releasing the payer from his tax.

Warning: Deceptive Marketing Practices Targeting Entrepreneurs

Many business creators (and micro-enterprises) receive, after completing their registration formalities, requests for payment of registration fees for the allocation of an intra-Community VAT number. These are, in reality, disguised commercial offers for inclusion in a real or supposed directory or a register of newly incorporated businesses (or companies).

These offers suggest that these registrations are official and compulsory. However, it is not.

These are purely optional proposals (the information of this optional character is generally written at the bottom of the page and in small characters).

The DGFIP recalls that the allocation of an intra-Community VAT number is **completely free** and advises you to disregard such offers.

If in doubt, contact the business formalities center (CFE) or the business tax department on which you depend.