

Taxation of your French rental income The charms of the "Micro BIC"

If you rented out your French holiday home in 2007, you should be aware that the income is taxable in France in 2008 under the provisions of the UK France double tax treaty of 23 May 1968.

The tax returns which should be available by the end of April must be filed with the *Centre des Impôts des non-résidents* at Noisy le Grand by **30 June 2008** at the latest if you are a UK-resident.

If your rental income was less than 76,300 euros in 2007, you may benefit from the "micro BIC" regime which is in most cases favourable.

The "Micro BIC" provides a fixed allowance of 71% meaning that the taxable base is reduced to 29%. The net income is then taxed at a rate of 20% (rate applicable to non-residents).

Example:

Total rents invoiced in 2007:	15,000 euros
Allowance (71%)	10,650 euros
Taxable	4,350 euros
Tax payable (20% x 4,350)	870 euros

Please note that your French rental income should also be declared in the UK. The French income tax may be deducted from the UK income tax.

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