Europe: Where to Next?

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TUESDAY, MAY 23, 2017, NYC
Warnings: Due to the recent presidential elections some major changes may affect the whole taxation system in France:

Among several positive changes proposed by the elected President is:
Individuals:

The repeal of wealth tax on every asset which is not real estate. With such a change the so called “wealth tax” will become similar to any real estate tax.

The “housing tax“, the equivalent to the “school tax” in the US will be repealed for most households.
Income from stocks and Bonds: A flat tax of 30% is considered.

The current flat tax called Contribution Sociale Généralisée “CSG” of 15.5% which hits passive incomes (portfolio income, real estate, capital gains) may be raised by 1.5% but the 30% cited above will probably include it.

Important note:
Due to tax treaty between US and France US citizens are exempt from tax on dividends and capital gains on portfolios as they are already taxed in the US
Businesses – corporations:

Many special Regimes do exist for corporate tax and social charges on start-ups and research. Corporate tax now at 33.33 % (27% below a fresh-hold) will be decrease to 25 %.

Labor Law: will be made more flexible

• to extend the scope of direct labor negotiations with companies
• to allow standardized severance payments in case of lay off and reduce the scope of uncertainty
EXISTING KEY MECHANISMS

Individual taxation - Impatriate regime (8 years)

• Exemption from tax basis for days of travelling outside France:
• Dividend rebate 50 %

Favorable investment vehicles

• Partnership (tax transparency) / Société de libre partenariat
• No withholding tax within Europe
• Advance tax agreements
• JEI
• Coordination centers and headquarters