

TAX DEDUCTIBLE DONATIONS IN France

Nicolas Mitton – head of legal and advocacy – French Foundations Center

France has one of the most, if not the most, favorable tax system regarding charity.

In the past years, the tax system tends to become less favorable and more criticized.

The system is complex, with many specific cases, but we can state some general rules :

- Tax incentives are open to donations made to public interest bodies (with conditions attached that won't be described here)
- The system is divided in two major branches : donations from individual taxpayers and donations from companies

TAX DEDUCTIBLE DONATIONS IN France

Nicolas Mitton – head of legal and advocacy – French Foundations Center

DONATIONS FROM INDIVIDUAL TAXPAYERS

Individual taxpayers can declare donations and therefore benefit :

- From a tax reduction that will be equal to 66% of the donation
Exemple : 100€ given = 66€ tax reduction
- From a tax reduction that will be equal to 75% of the donation for first necessities donations (housing of homeless people, food distribution...) for the first 1000 € of their donation. Then the 66% rate will apply.

Exemple : 1200€ given = 882€ tax reduction $[(1000 \times 75\%) + (200 \times 66\%)]$

In both cases, the tax incentive can not exceed 20% of the taxable income.

DONATIONS FROM COMPANIES

Companies can declare donations and therefore benefit :

- From a 60% tax reduction up to 2 million euros donations ;
- From a 40% tax reduction past 2 million euros donations (unless first necessities donations).

Exemple : 3 000 000€ given = 1 600 000 € tax reduction $[(2 000 000 \times 60\%) + (1 000 000 \times 40\%)]$

The total tax reduction can not exceed 20 000 € or 0.5% of the business revenue.