

Charles Hamer Financial Services

INDEPENDENT FINANCIAL ADVISERS

87 Park Street, Thame, Oxfordshire, OX9 3HX

Tel: 01844 218957 Fax: 01844 261886

Email: Jon@charleshamer.co.uk Chris@charleshamer.co.uk

www.charleshamer.co.uk

Update on The Second Loi de Finances Rectificative 2012 – 13/8/12

Last Thursday, 9th August, the Constitutional Counsel concluded on the constitutionality of the second Loi de Finances Rectificative 2012, which introduces the extra 15.5% tax charge on rents and capital gains realised by non residents. Although issues remain – which they acknowledge – to cut to the chase they do not see levy as being unconstitutional. It will therefore become law as soon as the text to the Act is published in the official journal, (Journal Officiel de la République Française) and this is expected to take place later this week.

The increased tax rate will apply to all profits generated on income received from French property since January 2012 and to all capital gains realised from the date of publication of the Act. For those non French resident property owners with rental income who to date have elected to have their profits assessed under the “Micro” regime on the basis that any French tax payable was and is available for credit against UK tax on the same income, in light of the higher French tax rate, we recommend that this strategy is at least reviewed in order to establish whether or not the overall tax burden may be reduced by instead electing for the “Simplifié” regime of profit assessment.

For more details on how we can help provide the Simplifié analysis, please contact Alex Romaine, manager Lettings Dept, on alex@charleshamer.co.uk or telephone him directly on 01844 218956