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Income tax: real estate capital gain

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i Income tax: 2022 income tax return for 2021

This page is updated for the 2021 tax return.

However, forms, online services and information documents are not yet available for the 2022 campaign and will be posted as soon as they become available.

The capital gain you realise by selling real estate is taxable on income, except for your principal residence. You can benefit from exemptions depending on the nature of the property or your personal situation.

What operations are involved?

Taxable capital gains

You are subject to income tax for capital gains realised in the course of the management of your private property in the following cases:

- Sale of real estate (flat, house, land)
- Sale of rights attaching to real property (easements for example)
- Sale through a civil real estate business (not subject to business tax) or a real estate investment fund (FPI)
- Exchange of goods, sharing or business

Please note : real estate surplus value is subject to [social \(https://www.service-public.fr/particuliers/vosdroits/F2329?lang=en\)](https://www.service-public.fr/particuliers/vosdroits/F2329?lang=en).

Exempt capital gains

The main exemptions from capital gains tax on real estate are related to the nature of the property sold, the quality of the seller and the purchaser.

Most exemptions are conditional.

Répondez aux questions successives et les réponses s'afficheront automatiquement

Exemptions from the transferred property

You are exempt in the following cases:

- Sale of [main residence \(https://www.service-public.fr/particuliers/vosdroits/F752?lang=en\)](https://www.service-public.fr/particuliers/vosdroits/F752?lang=en) and outbuildings (garages, parking areas, courses, etc.)
- Sale of a home other than the principal residence, if you use the sale price to buy or build your principal home within 2 years. In addition, you must not have owned your principal residence in the 4 years preceding the sale.
- Sale of an elevation right until 31 December 2022
- Exchanged under certain consolidation operations
- Property with a selling price not exceeding €15 000
- Well held for more than 22 years

Please note : property that has been held for more than 30 years is also exempt from social security contributions.

Buyer Exemptions

You are exempt in the following cases:

- Property sold directly or indirectly to a social housing agency (until December 31, 2022)
- Sold to a private operator who undertakes to realise or complete social housing (until 31 December 2022)
- Property expropriated on condition that all compensation is repaid by the acquisition, construction, reconstruction or extension of one or more buildings within 12 months
- Property transferred by an individual who has exercised his or her right of abandonment under certain conditions, subject to the full cost of the transfer being repaid by the acquisition, construction, reconstruction or extension of one or more buildings within 12 months

Seller Exemptions

You receive an old age pension

You are exempt if your income does not exceed €11,276 for 1^{re} share family quotient (+ €3,011 per additional half share) in 2020 for an assignment in 2022.

You must not be subject to the IFI ().

You have a mobility inclusion card

You are exempt if your income does not exceed €11,276 for 1^{re} share family quotient (+ €3,011 per additional half share) in 2020 for an assignment in 2022.

You must not be subject to the IFI ().

You live in an elderly care facility

You are exempt, subject to conditions, in the event of the transfer of your former principal residence.

Your income must not exceed €26,462 for 1^{re} share family quotient (+ €6,182 for 1^{re} additional half share and €4,867 for the next half-shares) in 2020 for a sale in 2022.

You must not be subject to the IFI ().

You are staying in an accommodation for disabled adults

You are exempt, subject to conditions, in the event of the transfer of your former principal residence.

Your income must not exceed €26,462 for 1^{re} share family quotient (+ €6,182 for 1^{re} additional half share and €4,867 for the next half-shares) in 2020 for a sale in 2022.

You must not be subject to the IFI ().

You are a non-resident of France

You're exonerated.

You did not own your principal residence in the previous 4 years

The sale of a dwelling other than the principal residence is exempt. But you must use the sale price to buy or build your main home within 2 years.

How to calculate the surplus value?

The capital gain is equal to the difference between the following amounts:

- Sales price of the property
- Asset acquisition price

If you realise a capital loss, that is, a loss, you cannot deduct it from a capital gain on the sale of another property (with exceptions).

Sales price

The selling price is the price indicated in the deed.

You can deduct from the price, on supporting documents, the costs incurred during the sale (for example, the costs related to the required diagnostics).

The selling price must be increased by the amounts paid to your profit (for example, a predatory payment made by the buyer to the current tenant).

Acquisition price

Good

If you bought the property, the purchase price is indicated in the bill of sale.

The following fees may be increased, upon proof:

- Expenses and allowances paid to the seller on purchase
- Acquisition fees (registration fees, notary fees). If you cannot justify them, you can deduct a lump sum of 7.5% purchase price
- Construction expenditure (construction, reconstruction, expansion, improvement under conditions). For property held for more than 5 years, you can deduct either the actual amount justified or a lump sum payment 15% purchase price
- Road, network and distribution costs (e.g. development costs for housing development)

Received Free

If you received the property by gift or estate, the acquisition price is the value used to calculate the estate or donation rights.

What tax is payable on the capital gain?

Slackening

The surplus value is reduced by abatement which depends on the time you owned the property.

The plate is different for the calculation of income tax and social levies.

Detention period	Discount rate for the sale of real estate	
	Reduction rate per year of detention	
	Income Tax Base	Social tax base
Under 6 years	0	0
From 6 ^e to 21 ^e year	6%	1.65%
22 ^e past year	4%	1.6%
Beyond 22 ^e year	Exemption	9%
Beyond 30 ^e year	Exemption	Exemption

Example :

You sold a property that you had owned for 10 years. You have realised with this sale a surplus value of €10 000.

- ▶ You receive a tax rebate on 6% per year of^e to 10^e year 30% (6% x 5). This will give you a discount of: €10 000 x 30% either €3,000. You will then report income €7 000 (€10 000 - €3,000).
- ▶ You benefit from a deduction on social contributions from 1.65% per year of^e to 10^e year 8,25% (1.65% x 5). This will give you a discount of: €10 000 x 8,25% either €825. You will have to pay social levies on the basis of €9,175 (€10 000 - €825).

Exceptional drop

Répondez aux questions successives et les réponses s'afficheront automatiquement

Slaughter linked to city planning or revitalisation operations

An exceptional reduction of 70% shall apply in areas covered by a major city planning operation or a revitalisation operation.

The purchaser undertakes to demolish the existing buildings to reconstruct one or more collective housing buildings, under certain conditions.

Promise to sell must be signed between 1^{to} January 2021 and December 31, 2023.

The allowance is applicable to determine the base of income tax and social levies.

This allowance shall apply to the capital gain depending on the duration of the holding of the property.

It may be increased to 85% if social housing (or intermediate housing) represents at least 50% of the total surface of the buildings.

The allowance may not apply if the seller and buyer have family ties (for example, if they are couple).

➡ **FYI :** the construction work must be completed within 4 years from the date of acquisition.

Exceptional drop in tense areas


An exceptional reduction of 70% applies in zones A or A bis where the purchaser undertakes to demolish existing buildings in order to reconstruct one or more collective buildings, under certain conditions.

Promise to sell must be signed between the 1^{to} January 2018 and December 31, 2020.

The transfer must be completed by 31 December 2022.

Know the area of your town: A, Abis, B1, B2 or C

Directorate of Legal and Administrative Information (Dila) - Prime Minister

Go to
simulator 
(<https://www.service-public.fr/simulateur/calcul/zonage-abc>)

The allowance is applicable to determine the base of income tax and social levies.

This allowance shall apply to the capital gain depending on the duration of the holding of the property.

It may be increased to 85% if social housing at least 50% of the total surface of the buildings.

The allowance may not apply if the seller and buyer have family ties (for example, if they are couple).

➡ **FYI** : the construction work must be completed within 4 years from the date of acquisition.

Tax rate

Capital gain is taxed on income tax at the rate of 19%.

Example :

For a taxable capital gain of €20,000, income tax is €3,800 (€20,000 x 19%).

An additional tax applies in the case of taxable capital gains exceeding €50 000. The rate varies from 2% to 6% depending on the amount of the capital gain realised.

Form 2048-IMM-SD contains a table to establish the amount (in practice, this is calculated by the notary).

The tax does not apply to exempt sales or sales of building land.

➡ **FYI** : you can see examples of real estate capital gains calculations on the [tax administration information leaflet](#) (https://www.impots.gouv.fr/portail/node/11603) and [site imitts.gov.fr](#) (https://www.impots.gouv.fr/portail/node/4349) .

How to report?

Formalities by the notary

The notary responsible for the sale carries out the following operations:

- Representations to the Tax Authority
- Calculation of taxable capital gain and amount of tax payable
- Reporting
- Payment of the tax on the real estate capital gain to the services of the land advertising of the place of the property

Specifying the capital gain on your tax return

You must include the following information on your tax return:

- Amount of surplus value declared by the notary
- If necessary, exempt surplus value in case of 1^{re} assignment of a dwelling other than your own [main residence](#) (https://www.service-public.fr/particuliers/vosdroits/F752?lang=en)

The 2021 reporting period of the revenues has ended. The 2022 income tax return for the year 2021 will take place in April 2022.

Statute and miscellaneous references

- General tax code: Articles 150a to 150VH (https://www.legifrance.gouv.fr/codes/id/LEGISCTA000006197216/) *Capital gains from the sale for consideration of movable and immovable property and rights (Articles 150 U to 150 VH)*
- General tax code: Articles 170 to 175a (https://www.legifrance.gouv.fr/codes/id/LEGISCTA000006162524/) *Indication of the amount of capital gains on the income tax return*
- General tax code: Article 200b (https://www.legifrance.gouv.fr/codes/id/LEGISCTA0000025918890/) *Capital gains tax rate*
- General tax code: Article 1609h G (https://www.legifrance.gouv.fr/codes/id/LEGISCTA0000026896904/) *High capital gains tax*
- Article 28 of Law No. 2017-1775 of 28 December 2017 of Amending Finances for 2017 (https://www.legifrance.gouv.fr/loda/article_lc/LEGIARTI0000037949557/) *Exceptional reduction for tense areas*
- General Tax Code, Annexe 3: Articles 41xD to 41xI (https://www.legifrance.gouv.fr/codes/id/LEGISCTA000006179295/) *Mandatory particulars on the deed of sale in case of application for exemption for 1st assignment of a dwelling (Article 41u-0h), determination of the transfer and acquisition price (Articles 41u H and 41vI)*
- Social Security Code: Article L136-7 (https://www.legifrance.gouv.fr/codes/id/LEGISCTA000006173129/) *Social contribution on investment products (including real estate capital gains: 2° of I)*
- Bofip-Taxes n°BOI-RFPI-PVI relating to capital gains (http://bofip.impots.gouv.fr/bofip/5892-PGP)
- Bofip-Taxes n°BOI-RFPI-PVI-20-10 relating to the determination of gross real estate capital gains (http://bofip.impots.gouv.fr/bofip/6214-PGP)
- Bofip-Taxes n°BOI-RFPI-PVI-20-20 relating to the determination of taxable real estate capital gains (http://bofip.impots.gouv.fr/bofip/292-PGP)
- Bofip-Taxes n°BOI-RFPI-TPVIE relating to the tax on high real estate capital gains (http://bofip.impots.gouv.fr/bofip/8595-PGP)
- Order of 29 December 2017 fixing the list of communes for the application of the reduction provided for in Article 28 of the Amending Finance Act for 2017 (https://www.legifrance.gouv.fr/jorf/id/JORFTEXT0000036337854)
- Bofip-Taxes No. BOI-RFPI-PVI6-10-40 on capital gains exemptions (http://bofip.impots.gouv.fr/bofip/6213-PGP)

Online services and forms

- **Taxes: access your Home** (<https://www.service-public.fr/particuliers/vosdroits/R3120?lang=en>)
Online service
- **Calculator for 2021: 2020 income tax** (<https://www.service-public.fr/particuliers/vosdroits/R2740?lang=en>)
Simulator
- **2021 Online 2020 Income Statement** (<https://www.service-public.fr/particuliers/vosdroits/R1280?lang=en>)
Online service
- **2021 Income Supplement 2020** (<https://www.service-public.fr/particuliers/vosdroits/R1282?lang=en>)
Form
- **2020 Statement of Appreciation - Assignments of Real Estate or Real Estate** (<https://www.service-public.fr/particuliers/vosdroits/R43442?lang=en>)
Form
- **2021 Statement of Capital Gains on Disposals of Building Land** (<https://www.service-public.fr/particuliers/vosdroits/R38703?lang=en>)
Form
- **2021 Statement of Appreciation - Assignments of Moveable Property or Predominantly Real Estate businesses** (<https://www.service-public.fr/particuliers/vosdroits/R31759?lang=en>)
Form
- **2021 declaration of capital gains for exchange of real estate-predominant business securities** (<https://www.service-public.fr/particuliers/vosdroits/R31755?lang=en>)
Form

For more information, please contact

- **Selling Real Estate** [↗](https://www.impots.gouv.fr/portail/node/4349) (<https://www.impots.gouv.fr/portail/node/4349>)
Ministry of Finance
- **Tax Site** [↗](https://www.impots.gouv.fr/portail/) (<https://www.impots.gouv.fr/portail/>)
Ministry of Finance
- **Income tax: information leaflets** [↗](https://www.impots.gouv.fr/portail/node/11603) (<https://www.impots.gouv.fr/portail/node/11603>)
Ministry of Finance
- **2021 Practice Brochure - 2020 Income Tax Return** [↗](https://www.impots.gouv.fr/portail/www2/fichiers/documentation/brochure/ir_2021/accueil.htm) (https://www.impots.gouv.fr/portail/www2/fichiers/documentation/brochure/ir_2021/accueil.htm)
Ministry of Finance
- **You live in the foreigner and sell a property located in France** [↗](https://www.impots.gouv.fr/portail/node/4451) (<https://www.impots.gouv.fr/portail/node/4451>)
Ministry of Finance