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Income tax: is a company-creating unemployed person taxable?

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Yes, a company-creating unemployed person is taxable on income.

But some of the benefits for unemployed company-makers are tax-exempt.

This is the case for aid under the [new support for company creation or recovery \(Mother of Pearl\)](https://www.service-public.fr/particuliers/vosdroits/F20016?lang=en) (<https://www.service-public.fr/particuliers/vosdroits/F20016?lang=en>). It is not taxable.

However, [Help with Recovery or company Creation \(Arce\)](https://www.service-public.fr/particuliers/vosdroits/F15252?lang=en) (<https://www.service-public.fr/particuliers/vosdroits/F15252?lang=en>) paid to an unemployed person creating or taking over a company is taxable.

Statute and miscellaneous references

- General tax code: Articles 79 to 81c [↗](https://www.legifrance.gouv.fr/codes/id/LEGISCTA000006197199/) (<https://www.legifrance.gouv.fr/codes/id/LEGISCTA000006197199/>)
- Bofip-Taxes n°BOI-RSA-CHAMP-20-20 on the taxation of allowances of employees deprived of employment and pre-retirement allowances [↗](http://bofip.impots.gouv.fr/bofip/5599-PGP) (<http://bofip.impots.gouv.fr/bofip/5599-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
- Income tax return (paper) (<https://www.service-public.fr/particuliers/vosdroits/R1281?lang=en>)
Form

For more information, please contact

- Tax Site [↗](https://www.impots.gouv.fr/portail/) (<https://www.impots.gouv.fr/portail/>)
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
- Income tax: information leaflets [↗](https://www.impots.gouv.fr/portail/node/11603) (<https://www.impots.gouv.fr/portail/node/11603>)
Ministry of Finance