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Income Tax - Rental Investment Law Pinel/Duflot (tax reduction)

Verified 01 janvier 2022 - Legal and Administrative Information Directorate (Prime Minister)

Additional cases ? [Income tax - Rental investment in the former Denormandie Act \(tax reduction\) \(https://www.service-public.fr/particuliers/vosdroits/F35011\)](https://www.service-public.fr/particuliers/vosdroits/F35011)

i Tenant resource ceiling and rent ceiling in 2022

The rent ceilings for a rental investment made in 2022 are not yet known.

The resource ceilings applicable in 2022 for an intermediate rent agreement are not yet known.

This page will be updated when these amounts are published.

You receive a tax reduction if you have made rental investments. The characteristics of this reduction depend on the date you made this investment.

Since September 2014 (Pinel)

You benefit from a tax reduction if you are fiscally domiciled in France and have made rental real estate investments, subject to fulfilling conditions related to the tenant and the rental. The so-called tax reduction *Pinel* applies to investments made from September 2014.

What conditions are attached to real estate investment?

Types of acquisitions

The tax credit applies to the following properties:

- New Housing
- Housing in future completion state
- Housing you're building
- Old housing being renovated (which represents at least 25% of the total cost of the operation).
- Housing undergoing rehabilitation
- Premises converted into residential accommodation

⚠ Warning : since 1st January 2021, the reduction applies only to units located in a collective building. It is no longer a matter of individual and cottage accommodation.

Housing completion times

Répondez aux questions successives et les réponses s'afficheront automatiquement

Housing in Future Completion State

The dwelling must be completed within 30 months of signing the authentic instrument of acquisition.

Housing to build

The housing must be completed within 30 months of the date of obtaining the building permit.

Housing under construction

The accommodation must be completed on 31 December of the 2^e year after the acquisition of the dwelling or premises.

Investment period

The tax reduction applies to transactions between September 2014 and December 31, 2024.


⚠ Warning : the tax reduction applies to a maximum of 2 units per year.

Location


The accommodation shall be in zone A, A bis or B1.


You can check your investment area with a simulator:


Investment made since 1 October 2014

 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>)


 **FYI** : since 1st April 2020, **in Brittany**, the Pinel reduction applies only to housing in specific areas defined by the prefect of the region.

 Search for areas affected by the Pinel device in Brittany


Ministry of Environment

Go to
search 
(<https://www.geoportail.gouv.fr/donnees/dispositif-pinel-region-bretagne>)

Investment made before October 2014

 Pinel/Duflot device calculator

Ministry of Housing


Go to
simulator 
(<https://www.cohesion-territoires.gouv.fr/dispositif-pinel#e2>)

Energy performance

The housing must meet an overall energy performance level depending on the type of acquisition.

Energy performance based on acquisition type

Type of accommodation	Energy performance required
New or to be built	Thermal Regulation RT 2012 (or BBC 2005 label in case of building permits filed before 2013)
Requires work	HPE label renovation 2009 or BBC label renovation 2009

 **Warning** : overseas, different rules apply.

What are the conditions for choosing the tenant?

The tenant may be your child or parent provided that you do not belong to your tax centre.

Sound reference tax income (<https://www.service-public.fr/particuliers/vosdroits/F13216?lang=en>) shall not exceed the regulatory ceilings.

Metropole

Maximum Annual Resources (2019 Tax Reference Income) by Geographic Area - Lease Completed in 2021 - Metropolitan

Composition of the tax centre	Area A	Area A	Area B1	Area B2	Area C
Single	€38,377	€38,377	€31,280	€28,152	€28,152
Couple	€57,357	€57,357	€41,772	€37,594	€37,594
+ 1 dependant	€75,188	€68,946	€50,233	€45,210	€45,210
+ 2 dependants	€89,769	€82,586	€60,643	€54,579	€54,579
+ 3 dependants	€106,807	€97,766	€71,340	€64,206	€64,206
+ 4 dependants	€120,186	€110,017	€80,399	€72,359	€72,359
Increase per additional dependant	+ €13,390	+ €12,258	+ €8,969	+ €8,070	+ €8,070

Overseas

Maximum Annual Resources (2019 Tax Reference Income) by Geographic Area - Lease Completed in 2021 - Overseas

Composition of the tax centre	Department of Overseas (Dom)	Saint Martin	French Polynesia
		Saint Pierre and Miquelon	New Caledonia Wallis and Futuna
Single	€28,606	€28,606	€31,099
Couple	€38,202	€38,202	€41,528
+ 1 dependant	€45,941	€45,941	€49,941
+ 2 dependants	€55,461	€55,461	€60,290
+ 3 dependants	€65,241	€65,241	€70,923
+ 4 dependants	€73,527	€73,527	€79,928
Increase per additional dependant	+ €8,206	+ €8,206	+ €8,920



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

How should the house be rented?

The accommodation must be rented empty (not furnished) as main dwelling (<https://www.service-public.fr/particuliers/vosdroits/F752?lang=en>).

It must be leased no later than 1 year after the completion of the building or after its acquisition.

The minimum lease term is 6 years.

The monthly rent shall not exceed, excluding charges, the following ceilings:

Metropole

Monthly rent ceilings, per m², charges not included, for leases concluded in mainland France

Location	Monthly rent ceilings per m ²	
	2020	2021
Area A	€17.43	€17.55
Area A	€12.95	€13.04
Area B1	€10.44	€10.51
Area B2 (on approval)	€9.07	€9.13

Overseas

Monthly rent ceilings, per m², charges not included, for leases concluded in mainland France

Location	Monthly rent ceilings per m ²	
	2020	2021
Guadeloupe	€10.48	€10.55
Meeting	€10.48	€10.55
Mayotte	€10.48	€10.55
Guyana	€10.48	€10.55
Martinique	€10.48	€10.55
Saint Martin	€10.48	€10.55
Saint-Pierre and Miquelon	€10.48	€10.55
French Polynesia	€12.81	€12.83
New Caledonia	€12.81	€12.83
Wallis and Futuna Islands	€12.81	€12.83

The rent ceilings vary according to the surface of the dwelling by [application of multiplier](https://www.anil.org/votre-projet/vous-achetez-vous-construisez/investissement-locatif/reduction-dimpot-duflot/) [\(https://www.anil.org/votre-projet/vous-achetez-vous-construisez/investissement-locatif/reduction-dimpot-duflot/\)](https://www.anil.org/votre-projet/vous-achetez-vous-construisez/investissement-locatif/reduction-dimpot-duflot/).

The ceilings may be reduced to reflect the particularities of local rental markets.

How much is the tax cut?

Ceiling

The tax credit is calculated on the cost of up to 2 units.


The total amount invested shall be retained up to the following 2 ceilings:

- €300 000 per taxpayer per year
- €5,500 per m² of living space

You must also consider the overall cap on tax benefits (<https://www.service-public.fr/particuliers/vosdroits/F31179?lang=en>).

Tax Reduction Rate

The rate varies depending on the duration of the lease.

 **Please note** : The rules are different overseas.

Initial commitment 6 years


Rate of tax reduction based on lease term (as % of amount invested)

	Rate	Distribution of tax reduction
Initial period of 6 years	12%	2% per year
1 ^{re} 3 year extension	6%	2% per year
2 ^e 3 year extension	3%	1% per year

Initial commitment 9 years

Rate of tax reduction based on lease term (as % of amount invested)

	Rate	Distribution of tax reduction
Initial period of 9 years	18%	2% per year
3 year extension	3%	1% per year

 **FYI** : the reduction rates will be gradually reduced for acquisitions made from 2023 onwards. Except for housing located in a priority area of city policy or which meets a high level of quality.

How to report?

To fill your tax return (<https://www.service-public.fr/particuliers/vosdroits/R1280?lang=en>), you can view the following documents:

- Fact sheets of Anil on the Pinel device  (<https://www.anil.org/votre-projet/vous-achetez-vous-construisez/investissement-locatif/reduction-dimpot-pinel/>)
- Explanatory note (<https://www.service-public.fr/particuliers/vosdroits/R1281?lang=en>)
- Tax Return Brochure  (https://www.impots.gouv.fr/portail/www2/fichiers/documentation/brochure/ir_2021/accueil.htm)
(indication of documents to be provided or kept)

From 2013 to August 2014 (Dufлот)

You benefit from a tax reduction if you are fiscally domiciled in France and have made rental real estate investments, subject to fulfilling conditions related to the tenant and the rental. The tax reduction *Dufлот*, shall apply to investments made from January 2013 to August 2014.

What conditions are attached to real estate investment?

Types of acquisitions

The tax credit applies to the following properties:

- New Housing
- Housing in future completion state
- Housing you're building
- Old housing being renovated (which represents at least 25% the total cost of the operation).
- Housing undergoing rehabilitation

- Local converted into a dwelling.

⚠ Warning : the tax reduction applies to a maximum of 2 units per year.

Investment period

The tax reduction applies to transactions between January 2013 and August 2014.

Location

The accommodation must be in zone A or B1 at the time of the investment.

It may also be located in zone B2 if there is a particular need for rental accommodation, and subject to the issuance of a State licence since July 2013.

You can check your investment area with this simulator:



Pinel/Duflot device calculator

Ministry of Housing

Go to
simulator ↗
(<https://www.cohesion-territoires.gouv.fr/dispositif-pinel#e2>)

Energy performance

The housing must meet an overall energy performance level depending on the type of acquisition.

Energy performance based on acquisition type

Type of accommodation	Energy performance required
New or to be built	Thermal Regulation RT 2012 (or BBC 2005 label in case of building permits filed before 2013)
Requires work	HPE label renovation 2009 or BBC label renovation 2009

⚠ Warning : overseas, different rules apply.

What are the conditions for choosing the tenant?

The tenant cannot be your child or parent and should not belong to your tax centre.

Sound reference tax income (<https://www.service-public.fr/particuliers/vosdroits/F13216?lang=en>) shall not exceed the regulatory ceilings.

Metropole

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Overseas

Maximum Annual Resources (2019 Tax Reference Income) by Geographic Area - Lease Completed in 2021 - Overseas

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		Saint Pierre and Miquelon	New Caledonia Wallis and Futuna
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Increase per additional dependant	+ €8,206	+ €8,206	+ €8,920



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

How should the house be rented?

The accommodation must be rented as **main dwelling** (<https://www.service-public.fr/particuliers/vosdroits/F752?lang=en>).

It must be leased no later than 1 year after the completion of the building or after its acquisition.

The minimum lease term is 9 years.

The monthly rent shall not exceed, excluding charges, the following ceilings:

Metropole

Monthly rent ceilings, per m², charges not included, for leases concluded in mainland France

Location	Monthly rent ceilings per m ²	
	2020	2021
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Martinique	€10.48	€10.55
Saint Martin	€10.48	€10.55
Saint-Pierre and Miquelon	€10.48	€10.55
French Polynesia	€12.81	€12.83
New Caledonia	€12.81	€12.83
Wallis and Futuna Islands	€12.81	€12.83

The rent ceilings vary according to the surface of the dwelling by [application of multiplier](https://www.anil.org/votre-projet/vous-achetez-vous-construisez/investissement-locatif/reduction-dimpot-duflot/) (https://www.anil.org/votre-projet/vous-achetez-vous-construisez/investissement-locatif/reduction-dimpot-duflot/).

The ceilings may be reduced to reflect the particularities of local rental markets.

How much is the tax cut?

Ceiling

The tax reduction is calculated on the cost of the acquired home.

The tax credit is calculated within the following 2 ceilings:

- €300 000 per person per year

- €5,500 per m² of living space.

You must also consider the overall cap on tax benefits (<https://www.service-public.fr/particuliers/vosdroits/F31179?lang=en>).

Tax Reduction Rate

The rate is 18% the amount of the investment.

The tax reduction is spread over 9 years (2% per year for 9 years).

For example, for an investment of €300 000, the tax reduction is €6 000 per year [(18% x €300 000 /9).

➡ **FYI** : the rules are different overseas.

How to report?

To fill your tax return (<https://www.service-public.fr/particuliers/vosdroits/R1280?lang=en>), you can view the following documents:

- Fact Sheets of Anil on Dufлот devices [↗](https://www.anil.org/votre-projet/vous-achetez-vous-construisez/investissement-locatif/reduction-dimpot-pinel/) (<https://www.anil.org/votre-projet/vous-achetez-vous-construisez/investissement-locatif/reduction-dimpot-pinel/>)
- Explanatory note (<https://www.service-public.fr/particuliers/vosdroits/R1281?lang=en>)
- Tax Return Brochure [↗](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) (indication of documents to be provided or kept)

Statute and miscellaneous references

- General tax code: article 199z [↗](https://www.legifrance.gouv.fr/codes/id/LEGIARTI000042159380/) (<https://www.legifrance.gouv.fr/codes/id/LEGIARTI000042159380/>)
Tax Reduction Scheme
- General Tax Code, Annexe 3: Article 2k to 2v [↗](https://www.legifrance.gouv.fr/codes/id/LEGISCTA000006191324/) (<https://www.legifrance.gouv.fr/codes/id/LEGISCTA000006191324/>)
Rent ceilings and resource ceilings
- General Tax Code, Annexe 3: Article 46 AZA g to 46 AZA m [↗](https://www.legifrance.gouv.fr/codes/id/LEGISCTA000023024720/) (<https://www.legifrance.gouv.fr/codes/id/LEGISCTA000023024720/>)
Geographical areas characterised by an imbalance between the supply and demand of housing (municipalities classified in zone B2)
- General Tax Code, Annexe 4: Articles 18-0a B to 18-0a D [↗](https://www.legifrance.gouv.fr/codes/section_lc/LEGITEXT000006069576/LEGISCTA000022864342/) (https://www.legifrance.gouv.fr/codes/section_lc/LEGITEXT000006069576/LEGISCTA000022864342/)
Communes characterised by a significant imbalance between the supply and demand of housing (classified in zones A and B1)
- Construction and Housing Code: R304-1 [↗](https://www.legifrance.gouv.fr/codes/section_lc/LEGITEXT000006074096/LEGISCTA000023361776/#LEGISCTA000023361782/) (https://www.legifrance.gouv.fr/codes/section_lc/LEGITEXT000006074096/LEGISCTA000023361776/#LEGISCTA000023361782/)
Designation of geographical areas A bis, A, B1, B2 and C
- Construction and Housing Code: items R111-20 to R111-20-6 [↗](https://www.legifrance.gouv.fr/codes/id/LEGISCTA000006189409/) (<https://www.legifrance.gouv.fr/codes/id/LEGISCTA000006189409/>)
Thermal characteristics of new buildings and new parts of buildings
- Decree No. 2013-517 of 19 June 2013 on the reduction of rent ceilings and the approval of municipalities for tax aid for rental investment [↗](https://www.legifrance.gouv.fr/loda/id/JORFTEXT000027587178/) (<https://www.legifrance.gouv.fr/loda/id/JORFTEXT000027587178/>)
- Order of 1 August 2014 concerning the geographical zoning of communes (known as A/B/C) [↗](https://www.legifrance.gouv.fr/loda/id/JORFTEXT000029337646/) (<https://www.legifrance.gouv.fr/loda/id/JORFTEXT000029337646/>)
- Decision of 29 September 2009 on the content and conditions for the award of the label "High performance energy renovation" [↗](https://www.legifrance.gouv.fr/loda/id/JORFTEXT000021089668/) (<https://www.legifrance.gouv.fr/loda/id/JORFTEXT000021089668/>)
- Order of 30 September 2014 concerning the classification of communes by zone applicable to certain housing aids [↗](https://www.legifrance.gouv.fr/loda/id/JORFTEXT000029574683/) (<https://www.legifrance.gouv.fr/loda/id/JORFTEXT000029574683/>)
- Decision of 8 May 2007 on the content and conditions for the award of the "high energy performance" label [↗](https://www.legifrance.gouv.fr/loda/id/JORFTEXT00000615939/) (<https://www.legifrance.gouv.fr/loda/id/JORFTEXT00000615939/>)
- Bofip-Taxes n°BOI-IR-RICI on tax credits and reductions [↗](http://bofip.impots.gouv.fr/bofip/5955-PGP) (<http://bofip.impots.gouv.fr/bofip/5955-PGP>)
- Bofip-Taxes n°BOI-IR-RICI-360 on the income tax reduction for intermediate rental investment - Dufлот and Pinel devices [↗](http://bofip.impots.gouv.fr/bofip/8425-PGP) (<http://bofip.impots.gouv.fr/bofip/8425-PGP>)
- Bofip-Taxes n°BOI-BAREME-000017 relating to rent and resource ceilings 2021 for rental real estate investment [↗](https://bofip.impots.gouv.fr/bofip/10130-PGP.html) (<https://bofip.impots.gouv.fr/bofip/10130-PGP.html>)

Online services and forms

- Pinel/Dufлот device calculator (<https://www.service-public.fr/particuliers/vosdroits/R31791?lang=en>)
Simulator
- Calculator for 2021: 2020 income tax (<https://www.service-public.fr/particuliers/vosdroits/R2740?lang=en>)
Simulator
- Taxes: access your Home (<https://www.service-public.fr/particuliers/vosdroits/R3120?lang=en>)
Online service
- 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
- 2021 Income Tax Return 2020: tax reductions and tax credits (<https://www.service-public.fr/particuliers/vosdroits/R32008?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
 - **Duflot Rental Investment Tax Reduction** [↗ \(https://www.anil.org/votre-projet/vous-achetez-vous-construisez/investissement-locatif/reduction-dimpot-duflot/\)](https://www.anil.org/votre-projet/vous-achetez-vous-construisez/investissement-locatif/reduction-dimpot-duflot/)
National Housing Information Agency (Anil)
 - **Tax reduction for rental investment "Pinel"** [↗ \(https://www.anil.org/votre-projet/vous-achetez-vous-construisez/investissement-locatif/reduction-dimpot-pinel/\)](https://www.anil.org/votre-projet/vous-achetez-vous-construisez/investissement-locatif/reduction-dimpot-pinel/)
National Housing Information Agency (Anil)
 - **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
 - **Build your house according to thermal regulations** [↗ \(https://bibliothec.ademe.fr/urbanisme-et-batiment/916-construire-sa-maison-selon-les-exigences-reglementaires-et-contractuelles.html\)](https://bibliothec.ademe.fr/urbanisme-et-batiment/916-construire-sa-maison-selon-les-exigences-reglementaires-et-contractuelles.html)
Ecological Transition Agency (Ademe)
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