

# Mobility: Tax alert

February 2024

## France

### New tax and social security measures for 2024

#### Executive summary

The 2024 French Social Security Finance and Income Tax Bills have recently been passed into law and introduce some changes to the income tax and social security provisions which will be effective from January 1, 2024.

#### 2024 French social security ceilings

The annual social security ceiling, used to calculate most French social security contributions has been adjusted for inflation representing a 5.4% increase over 2023.

Payroll period	2024 Ceiling (EUR)
Year	46,368
Month	3,864

Employee rates remain unchanged. However, some employer rates are slightly increased.

#### 2023 tax rates and bands

The 2023 income tax bands have been adjusted by 4.8% in accordance with inflation. The rates remain unchanged.

The revised bands are as follows for a single taxpayer (for a married taxpayer the bands are doubled):

Taxable income per unit (EUR)	Tax rate
up to 11,295	0%
11,295 to 28,797	11%
28,798 to 82,341	30%
82,342 to 177,106	41%
over 177,106	45%

Rates and bands for high income (so-called CEHR) and wealth tax (so-called IFI) remain unchanged.

#### 2024 neutral tax rates and bands for French Pay As You Earn System purposes

The 2024 neutral payroll withholding rates and bands for the French Pay As You Earn (PAYE) System in Metropolitan France have also been adjusted for inflation as follows:

Monthly taxable salary (EUR) (B)	Tax rate
B < 1,591 €	0 %
1,591 € ≤ B < 1,653 €	0.5 %
1,653 € ≤ B < 1,759 €	1.3 %
1,759 € ≤ B < 1,877 €	2.1 %
1,877 € ≤ B < 2,006 €	2.9 %
2,006 € ≤ B < 2,113 €	3.5 %
2,113 € ≤ B < 2,253 €	4.1 %
2,253 € ≤ B < 2,666 €	5.3 %
2,666 € ≤ B < 3,052 €	7.5 %
3,052 € ≤ B < 3,476 €	9.9 %
3,476 € ≤ B < 3,913 €	11.9 %
3,913 € ≤ B < 4,566 €	13.8 %
4,566 € ≤ B < 5,475 €	15.8 %
5,475 € ≤ B < 6,851 €	17.9 %
6,851 € ≤ B < 8,557 €	20 %
8,557 € ≤ B < 11,877 €	24 %
11,877 € ≤ B < 16,086 €	28 %
16,086 € ≤ B < 25,251 €	33 %
25,251 € ≤ B < 54,088 €	38 %
B ≥ 54,088 €	43 %

These rates will be used by payroll teams in cases where individualized rates are not communicated to the employer by the French tax administration or where the taxpayer has chosen to use this rate instead of personalized rates.

A new payroll functionality (so-called ADV) will replace TOPAze. It allows an employer to obtain a personalized rate for the first pay date rather than being applied for the second pay date.

#### Non-tax residents of France

The minimum tax rate for non-tax residents will be 20% for net taxable income not exceeding EUR 28,797 then 30% for the income exceeding this amount.

#### Withholding tax reform for non-residents

The current system of quarterly withholding tax returns is still applicable and the rates for 2024 will be:

Annual taxable income	Tax rate
0 to 16,820	0%
16,820 to 48,790	12%
Over 48,790	20%

#### New social security agreements

The agreement signed with Serbia on November 6, 2014, came into force on December 1, 2023.

There is no information available yet regarding the agreement signed with China on October 31, 2016.

#### Double Tax Treaty (DTT) arrangements

New DTTs have been signed with the following countries:

- ▶ Denmark - February 4, 2022 (came into force on January 1, 2024).
- ▶ Greece - on May 11, 2022 (came into force on January 1, 2024).
- ▶ Moldova - on June 15, 2022 (may come into in 2024).
- ▶ Luxembourg - on November 7, 2022 (amendment still not yet approved). The key change is the increase to the number of days (29 to 34) that frontier workers can work in their country of residence.

#### Next steps

Employers should make sure that they consider the new social contributions and income tax provisions when performing employment costs projections.

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