



FRANCE – March 2022

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FRENCH PROPERTY TAXES SET TO REACH RECORD LEVELS IN 2022

For many people in France the tax burden is being reduced, but this is not the case for property owners, who face record bills in 2022 due to changes in the calculation formula.

Property taxes in France come in two forms – the *taxe d’habitation* which is paid by the householder and *taxe foncière* which is paid by the property owner. If you own your own home then you pay both.

Taxe d’habitation is gradually being phased out, fewer than 20 percent of the population will pay it in 2022 and it will gradually be scrapped for everyone, with the exception of second-home owners.

However, *taxe foncière* is not only here to stay, it’s also been increasing and 2022 will see another hike to a new record thanks to a revaluation of the formula used to calculate tax bills.

The formula used to calculate the annual *taxe foncière* bills – which come out in the autumn – is complicated, but it’s based in part on the rentable value of the property – so if you build a large extension or add a swimming pool you can expect your bills to go up.

For the 2022 bills, the taxes on the rentable value of a property will be increased by 3.4 percent, the largest hike since 1989.

In addition to the rentable value, the other factor that determines the bills is where you live, since local authorities are allowed to set their own rates. Since the phasing out of the *taxe d’habitation*, a number of local authorities have sharply increased *taxe foncière* rates in order to make up for their lost income.

International Property Tax Institute

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In total, bills in some areas are set to rise by up to 15 percent compared to the previous year.

If you're a second-home owner, local authorities are also permitted to add an extra charge for second homes in areas where there is a housing shortage.

However, the TV licence – which usually arrives in the same post as the property taxes bill – is set to be phased out by Emmanuel Macron, if he wins the election.