

Capital Gains Tax

In France, a capital gain is the difference between the sales price and the price at which a property was acquired, subject to tax as laid down in the law.

When you sell a property at a higher price than what you paid for it at the time of acquisition, you realize a capital gain. Real estate capital gains are subject to income tax and are governed by law.

There are fiscal liabilities in the forest sector, but there are some exemptions.

Total exemption of capital gains in the forest sector after 22 years of ownership.

The tax rate is set at 19%.

The capital gain realized on the sale of a forest held for more than five years is decreased by a percentage that depends on the length of ownership:

- 6% for each year of ownership beyond five years
- 4% for the 22nd year.

Total exemption from social contributions after 30 years of ownership

The tax rate is set at 15.5%.

The capital gain realized on the sale of a forest held for more than five years is decreased by a percentage that depends on the length of ownership:

- 1.65% for each year of ownership beyond five years and up to the 22nd year
- 9% as from the 23rd year.

There are certain advantages but otherwise, the tax liabilities applicable to the French forests are the same as those that apply to real estate. Follow ForÃt Investissement and our articles to learn more and keep up with any changes.