

France's Wealth Tax

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DESPITE President Sarkozy's talk of "abolishing" the French wealth tax this year, the *Impôt de Solidarité sur la Fortune (ISF)* lives on – as often happens, the government announced plans for radical change but has ended up with a compromise.

However, under the reforms announced this summer, you now need to be wealthier before the tax is applicable: you no longer need to pay it if your household's overall wealth, after certain deductions (like 30% of your main home's value), is less than €1.3 million.

That is one of the headline elements in the reform, which includes some changes this year and others to come into play in 2012.

As usual, if you ARE eligible to pay ISF, the state does not chase you up – it is up to you to declare and pay it by September 30 (usually the date is June 15, but there was an extension to allow aspects of the new reforms to apply this year). Even if you live elsewhere but have property in France above a certain value you can be subject to the ISF. In this guide we look at what the tax is, who is eligible and how you pay.

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