

2. *IMPROVING TAXATION FOR INDIVIDUALS*

MEASURE	APPLICATION
Make expatriation bonuses tax exempt for salaried employees seconded to France by their employer	Law on Finances, amended for 2003.
Relax conditions governing tax exemptions for expatriation bonuses	Art. 54 of the Law on Finances, amended for 2005. The period of previous non-residence in France is reduced from 10 to 5 years.
Deduct from their income tax any social security payments paid by seconded employees under social security agreements with France	Law on Finances, amended for 2003.
Simplify and update the income tax system	The marginal rate is reduced to 40% (European standard rate) by the Law on Finances dated 30/12/2005, art. 74-III. The TEPA law dated 21 August 2007 fixed a tax shield of 50% including CSG and CRDS.
Encourage individuals, savers and management staff to retain shares in the long-term	Law on Finances dated 30/12/2005, art. 150-O D bis CGI (French Tax Code). Individuals are exempt from taxation on capital gains from stocks and shares held
Create a service that is adapted to the foreign tax-payer: creation of a remote office specifically dedicated to queries from foreign tax-payers	On September 1st, 2006, the foreign tax-payers office set up a telephone helpline particularly dedicated to foreign tax-payers. In addition, non-residents can also be advised by e-mail (approximately 60,000 queries per year).
Encourage the creation of retirement funds for former residents returning to France	Measure introduced in 2006: article 3 of the Law on Finance n°2006-1666, for application in 2007, enables individuals that have not been resident in France for tax purposes for at least three years and who do become resident for tax purposes, to deduct co