

# INSIGHT...

March 2023

## New reporting requirement for property owners in 2023

**The 2020 Finance Law finalized the abolition of the habitation tax for primary residences and, in doing so, it creates a new reporting obligation for property owners.**

Indeed, owners must declare to the administration on their personal or professional space which residential premises are primary residences (exempt from the housing tax) or secondary residences (which remain liable for this tax) before July 1st 2023.

**The tax d'habitation for primary residences will be definitively abolished as of 2023. It will remain due for second homes and furnished rental properties in which the tenants do not elect their tax domicile.**

**Article 1418 of the CGI** created by the 2020 Finance Act requires **all owners of a primary or secondary residence or a rented dwelling to file a declaration before July 1, 2023** in order to determine precisely which owners are liable for the housing tax or the tax on vacant dwellings.

### What is the housing tax?

**The tax d'habitation is a tax collected for the benefit of local authorities.** Its amount varies from one municipality to another: the tax rate is voted by the local authorities. **The amount of the tax also depends on the characteristics of the taxable premises** (size, level of comfort...) **and the personal situation of the taxpayer** (income, composition of the household...) on January 1<sup>st</sup> of the tax year.

### Who is affected by this new declaration?

**This new declaration concerns all owners of real estate for residential use:**

- **Regardless of the quality of the owner**

Natural persons or legal entities.

- **Regardless of the nature of the title**

Owner, undivided owners or Usufruitiers.

- **Regardless of the nature of the taxpayer**

Taxpayer in his own name, joint ownership or transparent or translucent tax entity such as SCI.

**A taxpayer who has left his or her main residence to enter a specialized facility** (retirement home or long-term care center) **and who meets the resource ceiling conditions is exempt from paying the housing tax for the premises he or she has left.**

### How to fill in this new declaration?

**This declaration must be made online, on the "Manage my properties" service from the owner's personal or professional space on the [impots.gouv.fr](https://impots.gouv.fr) website, by June 30, 2023 at the latest.**

#### *For individuals:*

- An **FAQ** is available in the section Individuals > Managing my assets/housing > I am doing work on my primary or secondary residence > Useful documentation.
- A **step-by-step** guide is available in the Online Services section: let us guide you! > I manage my properties.

#### *For professionals:*

- An **FAQ** is available in the section > Professionals > Managing my company/association > I manage my company's real estate > Useful documentation.

- A **step-by-step guide** is available in the section : Documentation > Accès aux fiches et à la foire aux questions téléprocédures > Fiche AIU 27 : Gérer mes biens immobiliers.

## What information should be included on the new declaration?

**The owner must fill in, for each of his properties, a declaration of occupancy with the following information, valid on January 1<sup>st</sup> of the year:**

- **The terms of occupation of the premises:** by the owner or by a third party,
- **The nature of the occupation:** primary residence, secondary residence, rented accommodation, accommodation occupied free of charge, vacant accommodation, furnished or unfurnished accommodation,
- **The identity of the occupants:** surname, first name, date of birth and place of birth for natural persons,
- **The period of occupancy:** start and end date of the period of occupancy.
- **For the particular case of seasonal rentals:**
  - The beginning of the seasonal rental period and the terms of management of the property (own or rental contract with manager excluding any personal use),
  - The SIREN of the manager or the owner if applicable,
  - The possible classification as a tourist accommodation.
- **The monthly rent excluding charges.**

## What is a primary residence?

For the purposes of the housing tax, the tax authorities define the principal residence as:

- **In general, the dwelling in which the taxpayer usually and effectively resides with his family.** If the taxpayer has a profession that requires frequent travel (e.g. sales representative), the dwelling in which the family resides permanently.

**Thus all residences that are not primary residences are, by definition, secondary residences.**

## Some particularities regarding primary residences

In the event that the taxpayer has **several dwellings or premises in the same**

**In the case of the commune, the taxpayer can only benefit once from the allowances** to which he is entitled, and only for the dwelling where he has set up his main residence.

As a reminder, **garages and parking spaces constitute outbuildings that are taxable for habitation tax purposes**, even when they are not contiguous to the taxpayer's home (subject however to a relative proximity to the latter). Thus, if they can be attached to the main residence, the rules of the latter are applicable to them.

**In the case of single students who, while remaining dependent on their parents for income tax purposes, have a separate dwelling for the purposes of their studies, it has been accepted that this dwelling should be considered as their principal residence for the purposes of the housing tax.**

When a taxpayer temporarily carries out his activity abroad or in a remote municipality but retains the disposal of the dwelling he previously occupied, the basis of assessment for the housing tax of this dwelling must be determined:

- By applying the abatements, when the taxpayer's family and in particular the spouse continues to reside there permanently or almost permanently,
- Without any abatement, in the opposite case.

This solution also applies to civil servants who are temporarily assigned or seconded outside of France and who keep their former home in our country.

## What are the penalties?

Article 1770 terdecies of the CGI provides for a fine of €150 per premises for which the required information is not provided:

- **Have not been communicated to the administration,**
- **Have been omitted,**
- **Are inaccurate.**

## What to do in case of difficulties?

If you have any questions or difficulties in completing this process, you can contact:

- The assistance number for private users at 0 809 401 401 (not surcharged),
- The management department, via the secure messaging system (choose the form « J'ai une question sur le service « Biens immobiliers » or via the contact information in the "Contact et RDV" section at the top right of this page).

## Crowe Fidelio

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### Paris 9<sup>ème</sup>

22 rue de Londres  
75009 Paris - France

T : +33 (0) 1 42 89 28 63  
contact@crowe-fidelio.fr

[www.crowe-fidelio.fr](http://www.crowe-fidelio.fr)



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