

3% surtax on dividends paid by a French company

It is still possible to claim for a refund for the surtax paid in 2016 and 2017

On 6 October, 2017, the French Constitutional Court, in its decision (n°2017-660 QPC), held that the 3% contribution on distributions is unconstitutional on the ground that it is contrary to the constitutional principles of equality before the law and of equal discharge of public burdens.

On the basis of this decision, as from 8 October 2017, the contribution is not due anymore, whatever the origin of the distributed profits, *i.e.*, the redistribution of dividends received from subsidiaries or the own profits of the distributing company.

The French finance law for 2018 has abolished the 3% surtax on dividends as from 1st January 2018.

Any French taxpayers that has paid the 3% surtax on dividends in 2016 and 2017 can obtain refund of it if it files a claim before 31 December 2018.

To determine if a French taxpayer can obtain a refund, please read the following:

1. Has the French taxpayer distributed dividends in 2016 and 2017 and paid the 3% surtax?

If the answer is NO, thus no refund is possible.

If the answer is YES, please go to point 2.

2. Has the French taxpayer already filed a claim for a refund of 100% of the 3% surtax paid in 2016 and 2017?

If the answer is YES, there is nothing more to do.

If the answer is NO, the refund of the 3% surtax on dividends paid in 2016 and 2017 can be obtained by introducing a claim before 31 December 2018.

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