

Your 2018 tax return for income in 2017

What is new this year?

The elements of taxation in this factsheet apply to French residents for tax purposes.

The only change is an increase in the social contributions rate from 15.5% to 17.2% on capital gains on sales and any fractional rights.

Capital gains taxation on sales and any fractional rights^(a)

- Social contributions: **17.2%**
- Income tax based on a progressive scale, after any deductions for seniority from capital gains made on sales: **50%** for share seniority of between two and less than eight years, **65%** for share seniority of at least eight years.

Reminder: The tax authorities consider compensation for fractional rights as a capital gain on sale without deduction. This is included on your tax reporting form (IFU).

(a) Fractional rights correspond to compensation received for the portion of the share that cannot be distributed if the number of shares that you own at the time of the free share attribution is not a multiple of the transaction multiple.

Dividend taxation

- Social contributions: **15.5%** (already withheld in 2017 when dividends were paid)
- Income tax based on a progressive scale on the amount of gross dividends after the **40%** deduction, minus potential handling fees.

Two scenarios that provide exemption from capital gains tax

Having a share savings plan, and keeping your shares for a period of five years from the account opening date. The capital gains realized after this period are only subject to social contributions. Important: shares from another account cannot be transferred to a share savings plan. Only transfers from the share savings plan's cash account can be used to invest in shares. The cash investment limit is €150,000 per plan.

Making a gift is still fully exempt from rights, taxes and social contributions up to maximum amounts set by French law. Unrealized capital gains on shares are then tax exempt, as long as the transaction is reported to the tax authorities (see factsheet 11).

Plan to make your end-of-year gifts from September.

The "What is new with shareholder taxation?" web conference, presented by the Group's experts, can be found on airliquide.com/Shareholders.



DATES

THE PAYMENT OF TAX ON DIVIDENDS RECEIVED IN 2017 IS CARRIED OUT IN TWO STAGES:

- 1. In 2017 when dividends are paid**
 - If you have sent a request to your account manager for exemption from the 21% advance withholding on dividends before November 30, 2016, only the social contributions of 15.5% have been withheld;
 - If you did not fulfill the requirements to benefit from this exemption, social contributions of 15.5% have been withheld along with an advance withholding of 21%.
- 2. The balance in 2018 when you pay your 2017 income tax.**



FOCUS ON

ISF-IFI

As of 2018, the French wealth tax (ISF) has been replaced by the French wealth tax on real estate (IFI) which no longer applies to securities.