

Your 2019 tax return for income in 2018

What tax changes are implemented?

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

When you fill out your tax return in 2019, you will have the choice between the current mechanism and the 30% flat tax for the taxation of your investment income, including dividends received in 2018 and capital gains made in 2018.

Capital gains taxation on sales

Shares acquired BEFORE 01/01/2018	<ul style="list-style-type: none">• Social contributions: 17.2%• Income tax based on a progressive scale, after any deductions for seniority: 50% for share seniority of between two years and less than eight years, 65% for share seniority of at least eight years. <p>..... OR</p> <ul style="list-style-type: none">• 30% flat tax on capital gains on sales (without taking into account any deductions for seniority).
Shares acquired AFTER 01/01/2018	<ul style="list-style-type: none">• Social contributions: 17.2%• Income tax based on a progressive scale, without taking into account any deductions for seniority. <p>..... OR</p> <ul style="list-style-type: none">• 30% flat tax on capital gains on sales (without taking into account any deductions for seniority).

Taxation of dividends

(regardless of the acquisition date of shares)

- Social contributions: **17.2%**
 - Income tax based on a progressive scale on the amount of gross dividends after the **40%** deduction.
- OR
- **30%** flat tax on capital gains on the gross amount of dividends (without taking into account the **40%** deduction).

Choice of taxation method

The choice between the current mechanism and the 30% flat tax must be made in 2019. For any given year, the mechanism chosen must be the same for the capital gains tax and that of the dividends tax. Your entire securities portfolio must be taxed in the same manner. You may however choose a different mechanism each year. Air Liquide therefore advises you to assess your overall taxation of dividends and capital gains from sales using both methods before making your decision.



DATES

THE PAYMENT OF TAX ON DIVIDENDS RECEIVED IN 2018 IS CARRIED OUT IN TWO STAGES:

1. In 2018 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, 2017, only the social contributions of 17.2% will be withheld;
- If you do not fulfill the requirements to benefit from this exemption, social contributions of 17.2% will be withheld along with an advance withholding of 12.8% (instead of 21% previously), i.e. a total withholding of 30%.

2. The balance will be applied in 2019 when you pay your 2018 income tax, according to the taxation method chosen.