

HOW TO DECLARE YOUR 2019 INCOME TAX ON YOUR 2018 INCOME?

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 30% flat tax and the current mechanism for the taxation of your investment income, including dividends received in 2018 and capital gains made in 2018.



Find the french taxation web conference in the Shareholders section on airliquide.com (in french only)

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CHOICE OF TAXATION METHOD

You may choose a different taxation mechanism each year and this mechanism will apply to all of your investment income. Air Liquide therefore advises you to assess your overall taxation of dividends and capital gains from sales using both methods before making your decision.

CAPITAL GAINS TAX ON SALES

Flat tax
(by default): 30%

or

I opt for income tax,
on a progressive scale

Social contributions:
17.2% on all capital gains, without deduction

+

Regardless of the acquisition date of shares

Income tax:
12.8% on capital gains **without deduction**

Social contributions: **17.2%** of all capital gains, without deduction

+

Shares acquired before 01/01/2018

Progressive scale of income tax **after the application, where applicable, of a deduction** for seniority^(a)

Shares acquired after 01/01/2018

Progressive scale of income tax **without the application of a deduction** for seniority



PAYMENT OF TAX

Tax on capital gains and losses on sales of investment securities must be paid to the tax authorities in September 2019.

^(a) The deduction stands at 50% for a share seniority of between two and less than eight years, 65% for share seniority of at least eight years.

DIVIDEND TAXATION

(regardless of the acquisition date of shares)

Flat tax
(by default): 30%

or

**I opt for income tax,
on a progressive scale**

30% on the gross amount of dividends (without taking into account the 40% deduction)

Social contributions: **17.2%**

+

Income tax based on a progressive scale on the amount of gross dividends after the **40%** deduction



PAYMENT OF TAX

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 advance withholding 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%, i.e. a total advance withholding of 30%.

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

HOW TO COMPLETE YOUR TAX RETURN

To help you choose between the tax methods available to you and make an informed choice, before you complete your tax return for 2018 income, we recommend using the tax authorities' simulator on the impots.gouv.fr website.

NOTE: The tax return form, as well as the tax authorities' simulator on the impots.gouv.fr website, applies the 30% flat tax (PFU) to your investment income by default.

You must select an option:

Option 1

I opt for the 30% flat tax
(by default)

- I leave box **20P** unticked.



- The amount of my dividend which is pre-completed by the tax authorities is shown in box **2CG** (*Revenus déjà soumis aux prélèvements sociaux sans CSG déductible*) and any advance withholding tax payment deducted when the dividend was paid is shown in box **2CK** (*Crédit d'impôt égal au prélèvement forfaitaire non libérateur effectué en 2018*).
- In the event of a capital gain on a sale, I must complete the amount of my capital gain in box **3VG** (*plus-value sans application d'abattements*) without taking into account the deduction for seniority.

Option 2

**I opt for income tax,
on a progressive scale**

- I tick box **20P**.



- I copy the pre-completed amount of my dividend shown in box **2CG** (*Revenus déjà soumis aux prélèvements sociaux sans CSG déductible*) into box **2BH** (*Revenus déjà soumis aux prélèvements sociaux avec CSG déductible*). Box **2CG** should then be empty.
- In the event of a capital gain on a sale, I must complete the amount of my capital gain in box **3VG** (*plus-value sans application d'abattements*) without taking into account the deduction and I must enter any deductions for seniority in box **3SG** (*Abattement pour durée de détention de droit commun*).

Please contact your local tax authorities if you have any questions.