How to declare your 2020 income tax on your 2019 income?

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

When you fill out your tax return in 2020, 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 2019 and capital gains made in 2019.

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%

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

Income tax: 12.8% on capital gains without deduction

or

I opt for income tax, on a progressive scale

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

Regardless of the acquisition date of shares

Shares acquired before 01/01/2018

Progressive scale of income tax after the application, where applicable, of a deduction for seniority

Shares acquired after 01/01/2018

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

(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.

PAYMENT OF TAX

Tax on capital gains and losses on sales of investment securities must be paid to the tax authorities in September 2020.
### Dividend taxation
(regardless of the acquisition date of shares)

<table>
<thead>
<tr>
<th>Flat tax (by default): 30%</th>
<th>I opt for income tax, on a progressive scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>30% on the gross amount of dividends (without taking into account the 40% deduction)</td>
<td>Social contributions: <strong>17.2%</strong></td>
</tr>
</tbody>
</table>

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

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#### 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:**

<table>
<thead>
<tr>
<th>Option 1</th>
<th>Option 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>I opt for the 30% flat tax (by default)</td>
<td>I opt for income tax, on a progressive scale</td>
</tr>
</tbody>
</table>

1. **I leave box 2OP unticked.**

2. **The amount of my dividend which is pre-completed by the tax authorities is shown in box 2CG (Revenus susceptibles d’ouvrir droit à 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 libératoire effectué en 2019).**

3. **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.**

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**PLEASE NOTE:** any fractional rights received following the October 2019 free share attribution are to be reported as a capital gain on a sale without taking into account the deduction (in box 3VG).

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