

Tax

RETURN

How to declare your 2021 income tax on your 2020 income?

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

When you fill out your tax return in 2021, 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 2020 and capital gains made in 2020.



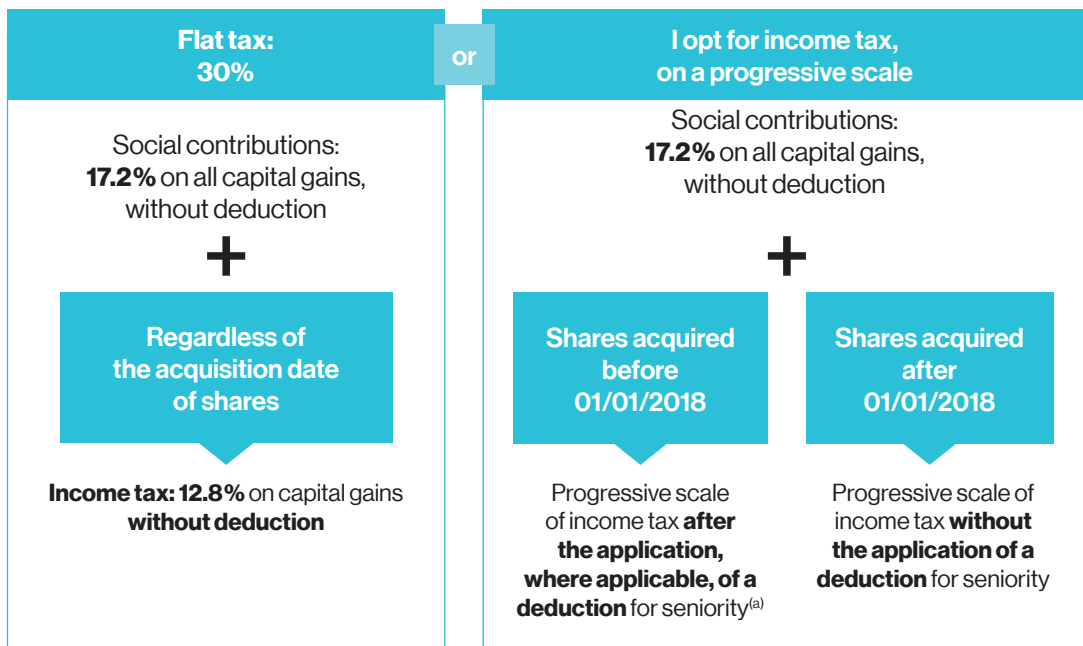
PAYMENT OF TAX

Tax on capital gains and losses on sales of investment securities must be paid to the tax authorities in September 2021.

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



(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: 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



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 2020 income, we recommend using the **tax authorities' simulator on the impots.gouv.fr** website.

You must select an option:

Option 1	or	Option 2
I opt for the 30% flat tax		I opt for income tax, on a progressive scale
<ol style="list-style-type: none">I leave box 20P unticked. <input type="checkbox"/> 20PThe amount of my dividend which is pre-completed by the tax authorities is shown in box 2BH (Revenus déjà soumis aux prélèvements sociaux avec CSG déductible si option barème) and any advance withholding tax payment deducted when the dividend was paid is shown in box 2CK (<i>Prélèvement forfaitaire non libératoire déjà versé</i>).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'abattement) without taking into account the deduction for seniority.		<ol style="list-style-type: none">I tick box 20P. <input checked="" type="checkbox"/> 20PThe amount of my dividend pre-filled by the tax authorities appears in box 2BH and any interim tax deducted at the time of payment of the dividend in box 2CK.In the event of a capital gain on a sale, I must complete the amount of my capital gain in box 3VG (<i>Plus-value sans application d'abattement</i>) without taking into account the deduction and I must enter any deductions for seniority in box 3SG (<i>Abattement pour durée de détention de droit commun</i>) from the document 2042C.

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

PAYMENT OF TAX

THE PAYMENT OF TAX ON DIVIDENDS RECEIVED IN 2020 IS CARRIED OUT IN TWO STAGES:

1. In 2020, when dividends are paid

- If you **have** sent a request to your account manager for exemption from the advance withholding before November 30, 2019 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%.

- The balance will be applied in 2021 when you pay your 2020 income tax of your investment income, according to the taxation method chosen.