



LOCAL TAX



DEFINITION

A tax paid to the government in a particular area:

- Local taxes in France are taxes collected by local authorities**

Housing tax, property tax ... these taxes are due by the occupants of the premises and by the owners for the benefit of the local communities which provide services and infrastructures in return.



HISTORY

- 1790: creation of direct contributions: land tax, personal movable tax, patent, on doors and windows
- 1917: creation, for the State, of the income tax and transfer to municipalities and departments of the contribution of licenses and the movable property contribution.
- 1948: the two land contributions are abandoned as state taxes and allocated exclusively to municipalities and departments.
- 1974-1976: abolition of direct contributions, transformed into property tax on built properties, property tax on non-built properties, housing tax and professional tax for the benefit of departments and municipalities.
- 1981: decentralization: communities can now vote on local tax rates
- 1999: abolition of the wage share of the professional tax, then in 2010 of the employer's share, replaced by the territorial economic contribution.
- 2011: creation of the flat-rate tax on network companies.
- 2019-23: abolition of the housing tax on the main residence.



NUMBERS

- Local taxes in France amounted to 125.1 billion euros in 2015
- France has, in Europe, “the highest level of taxation in terms of local taxes linked to housing: property tax and housing tax”

WHAT IS INCLUDED

- housing tax,
- property tax (built and non-built properties),
- the tax on vacant housing,
- contribution to public broadcasting,
- the collection tax on household waste.

HOW MUCH DOES AN AVERAGE FAMILY COST TO THE STATE

- The French state commits around 1.3 trillion euros in public spending.
- Compared to the number of households * which amounts to 29 million, this makes a public budget of 45,000 euros per household per year.
- That is to say 3,750 euros per household per month.

ESSCALAND

- housing tax : 21,3% which is high because of tax rates voted by local authorities. Esscaland value of the buildings and its outbuildings is very high and therefore the tax is very high since its calculated using the cadastral rental value of these building
- Three components are considered in the calculation of the property tax: The cadastral rental value; The revaluation coefficient; The tax rate voted by local authorities.
- property tax : 42% Esscaland only has luxurious buildings and wealthy people.
- These taxes allow Esscaland to have on of the best infrastructures and services in the world. It is known to have some of the cleanest street (even more then Singapore) and a very high quality of life.