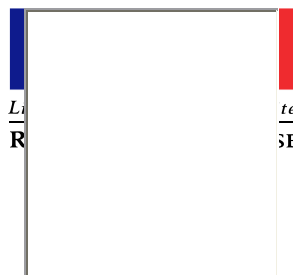


Wealth and inheritance taxes the French way

Jean-Marc Fenet

Deputy Director General
in charge of Taxation

International Tax Dialogue Conference
New Delhi, India
Thursday 8 November 2011





CONTENT

- Some figures about global wealth of French HNWI
- Growing concentration of wealth and income
- Wealth and inheritance taxes in France
- What to learn from this experience



**Some figures about global wealth of
French Individuals
(2009)**

Some figures about global wealth of French Individuals (2009)

Brut wealth: about 10.000 Billions €

Debts: about 1000 Billions €

Net wealth: about 9000 Billions €

Structure of net wealth:

Real estate: 61 %

Financial wealth: 33 %

- life insurance 13 %
- shares/bonds 9 %
- taxed savings 5 %
- non taxed savings 5 %

Others: 6 %



Concentration of wealth and income



More concentration in wealth than in income

Wealth: 10 % of the total 36 Millions of French tax households own 48% of global wealth, 1% own 19%.

Income:

- Average income of the top 10 % of French citizens in 2008 7 times higher than the bottom 10 % of the population (6 to 1 in 1995, 8 to 1 in 1985).
- Taxes and benefits together reduce inequality by more than 30 % (OECD average 25 %)



Wealth and inheritance taxes in France

Wealth and inheritance taxes in France



Wealth tax before the 2011 reform

- taxation from 800.000€ net wealth,
- 550.000 individuals,
- 6 rates (0,55%, 0,75%, 1%, 1,3%, 1,65%, 1,8%)
- a 'tax shield' to avoid excessive taxation

2011 wealth tax reform

- taxation from 1.3 Millions € net wealth,
- 250.000 individuals,
- 2 rates (0,25 % - 0,5 %)

2007 inheritance tax reform

- share of non taxed heirs, 91% (80% before)



What to learn from this experience ?



Thank you for your attention