

**Three examples of excessive tax
concerning French real property tax (“taxe foncière”)
(© file created by Philippe IMBERT – Atelier des taxes locales)**

1st Example : Inappropriate reference premises chosen by the French tax administration

The T. company is the owner of a building located in Bordeaux, near the train station.

The district of the building is not very attractive : lack of repair of the buildings, prostitutes, noise at night, ... The T. company is considering that the amount of the real property tax on developed land (“taxe foncière”) for this 240 m² building is far too high.

After the request to obtain a copy of the calculation file n° 6675 and the exam of the Report gathering all the reference premises of the Commune, they realise that :

- the building is estimated by comparison with a reference premises of the town, located in another area, not so close from the train station, and far quieter and middle class.
- the tariff of the chosen reference premises is 150 FRF (22,87 €) / m²,
- two other reference premises exist in the area of the building of the T. company, with the same situation than this one.
- the tariff of these two other reference premises are 102 F (15,55 €) and 83 F (12,65 €) by m².

The claim to the local tax administration had the result, after a visit of the building by an administration agent, that the administration modified the reference premises and chose the reference premises rated 102 F (15,55 €) as new reference premises.

A reimbursement of the real property tax was given to the T. company on 5 years.

The annual saving for the T. company is 48 F (7,32 €) x 240 m² = 11.520 F (1.756,80 €).

2nd Example : The building of the client is not classified in the correct category

Mr D. is the owner of a building located in the area of the cathedral of Albi.

By comparing with his uncle’s situation, also owning a building in the center of Albi, he is discovering a surprising difference between the amounts of the two real property taxes (“taxes foncières”) of these buildings : Mr D.’s tax is 50% higher, when the two buildings have the same surface (250 m²).

After the request of the calculation file n° 6675 and the exam of the file containing all the reference premises of the town, he is discovering two points :

- Mr D.’s premises for residential use is classified in 3rd category (his uncle’s one is in 5th category).
 - the criteria of the 3rd category (article 324H-I from Annex III of the Tax Code) are not gathered : the building of Mr D., with a very good construction quality, has no reception room, nor several bathrooms.
- A claim will be necessary for the administration to recognize that the chosen category was not correct.

The transfer from 3rd to 4th category result in a fall of the registry rental value (“valeur locative cadastrale”) of the building.

On the two years of the claim, Mr D is obtaining a reimbursement of the real property tax (“taxe foncière”). The new registry rental value will be kept during the next years.

3rd Example : The uncorrect surface distribution of premises

Mrs F. is the owner of the second floor of a building in the near of Montpellier (South France).

Surprised by the amount of the real property tax (“taxe foncière”) that she has to pay, amount which is increasing each year, she is looking for some informations.

As the owner of this flat, she has declared a 1200 m² surface for this second floor.

After the request of the calculation file n° 6675, she is discovering that none of the regular weighing of the different surfaces has been used for the office part (855 m²) and for the storage part (345 m²).

If a factor 1 (855 x 1 = 855 m²) can be used for the office part, the factor can be minored to 0,33 (345 x 0,33 = 115 m²) for the storage part, that is less useful.

By doing so the taxable surface is decreasing from 1200 m² to 970 m² after weighing (- 230 m²).

The calculation file n° 6675 is giving the rate of the reference flat : 10,21 € /m².

It has been necessary to go to the administrative court to obtain a correct calculation of the surface by the tax administration, **the generated annual saving being 230 m² x 10,21 € /m² = 2.348,30 €.**

Another interest is that the decrease in that the assessment basis of real property tax (“taxe foncière”) had an influence on the calculation of the business tax (“taxe professionnelle”) paid by business owners, that was lowered too.