

TAX MEASURES FOR THE SELF-EMPLOYED

- March 17, 2020 -

The government has announced restrictive measures to deal with the COVID-19 epidemic, which is having a significant impact on the economic activity of professionals.

This unprecedented situation has led many shopkeepers, craftsmen and liberal professions to partially or totally cease their activity. In this context, it is essential to update the next instalments of withholding tax.

MODULATION OF ADVANCE PAYMENTS

Taxpayers pay their tax on professional income by means of instalments calculated by the administration on the basis of the last known situation of the tax authorities and deducted monthly or quarterly.

In the event of a change in the situation leading to a foreseeable and significant variation in the tax, the taxpayer may request an update during the year of the amount of the advance payment on his professional income.

In order to do so, taxpayers must make an estimate of their expected income for the year 2020 and justify that the modulated rate will be less than at least 10% of the last rate calculated by the tax authorities.

DEFERRAL OF THE PAYMENT OF ADVANCE PAYMENTS

In order to cope with economic difficulties, taxpayers also have the possibility of deferring, without penalties or justification, the payment of advance payments of withholding tax on professional income:

- from one month to another up to three times if their instalments are monthly,
- or from one quarter to the next if their deposits are quarterly.

PROCEDURES FOR REQUESTING MODULATION OR DEFERRAL

Taxpayers who wish to benefit from these measures can carry out these steps on their individual tax.gouv.fr space, under the heading «manage my withholding tax».

The Directorate General of Public Finance has specified that any changes made before the 22nd of the month will be taken into account the following month.

Therefore, it is necessary to take these steps before March 22nd to take into account these modifications for the April deadline.

ORCOM remains in contact with the contacts at the Directorate General of Public Finance and is at your disposal to provide you with the best possible support during this period.

The Tax Department