

# FRANCE'S RESEARCH TAX CREDIT

BENEFITS AND ADVANTAGES  
FOR YOUR COMPANY

KEY INFO IN

**10**  
POINTS

# 1

## ▶ GENEREROUS RATE

France's research tax credit covers **30% of all R&D expenses** up to €100 million, and 5% above this threshold. Salaries for research staff are wholly integrated, plus 50% of R&D operating costs and 75% of investments in R&D operations.

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# 2

## ▶ OPEN TO ALL COMPANIES

All companies incurring R&D expenses are eligible, **regardless of their size, business sector and nationality.**

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# 3

## ▶ NUMEROUS TAX CREDIT RECIPIENTS

16,000 companies received France's research tax credit in 2013.

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# 4

## ▶ LARGE TAX CREDIT BASE

**The research tax credit base covers not only all R&D spending** (salaries, social security contributions, amortization and depreciation allowances, operating costs, subcontracting, patents and monitoring, etc.) **but also innovation expenses incurred by SMEs,** at a rate of 20% (up to €400,000 a year).

# 5

## ▶ A TAILORED TAX INCENTIVE

All expenditure contracted out to public-sector bodies is **double-counted**, thereby effectively doubling the research tax credit (up to €12 million). Salaries paid to **junior final-year doctoral and post-doctoral research** personnel on their first permanent contract are **quadruple-counted** for two years.

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# 6

## ▶ POSSIBLE IMMEDIATE RESEARCH TAX CREDIT REBATE

SMEs, innovative new companies (*jeunes entreprises innovantes* – JEIs), startups and ailing companies may ask for an **immediate research tax credit rebate**. Bpifrance, France's public investment bank, offers a **pre-financing solution covering 80%** of expected eligible expenses (for companies based in France for more than three years, having previously received the research tax credit).

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# 7

## ▶ LONG-TERM STABILITY GUARANTEED

The research tax credit and “innovative new companies” schemes have been fixed until 2017 at the earliest. Companies can also request a research tax credit advance ruling (*rescrit*) from Bpifrance or the French tax authorities, for example, to **secure the future of their investments** (tacit agreement can be assumed if no reply is received within three months).

# 8

## ▶ SIGNIFICANT TAX RELIEF

Total tax relief for research tax credit recipients amounted to more than €6 billion in 2013.

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# 9

## ▶ CUMULATIVE BENEFITS WITH OTHER TAX INCENTIVES

Eligible companies can enjoy combine the benefits of the research tax credit with those of the “innovative new companies” scheme (*jeunes entreprises innovantes* – JEIs), which provides for corporate tax, local taxes and social security contributions over an eight-year period, as well as all other tax incentives (e.g. the CICE tax credit).

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# 10

## ▶ INTERNATIONALLY ACKNOWLEDGED EFFECTIVENESS

The 9<sup>th</sup> *Baromètre européen de l'innovation* (European Innovation Funding Survey) ranked **France's research tax credit** as the **leading innovation funding measure** for European companies. (Alma Consulting Group, 2013) France is the country that offers the **most generous R&D tax treatment** for companies. (OECD Science, Technology and Industry Scoreboard, 2013)

France has the **lowest effective corporate tax rate in the world** (among the 10 countries surveyed) **for R&D operations**, taking into account differences in tax bases, depreciation allowances, tax exemptions and tax credits. (KPMG, Competitive Alternatives, 2014)



For further information about  
eligibility terms and conditions  
and the advantages of  
France's research tax credit,  
please visit:  
**[www.businessfrance.fr](http://www.businessfrance.fr)**



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# FRANCE'S RESEARCH TAX CREDIT



RANKED **1**<sup>ST</sup>  
AMONG INNOVATION  
FUNDING MEASURES

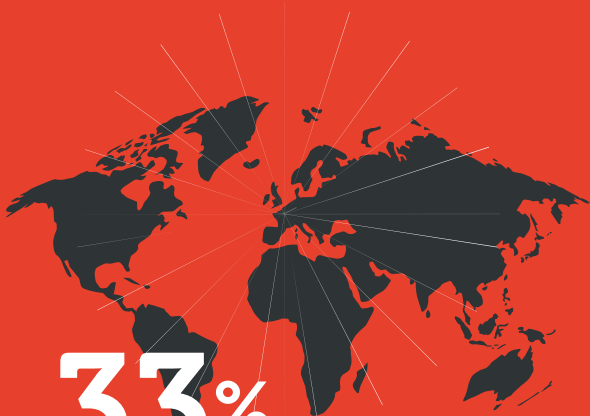


**FOREIGN  
INVESTMENT  
DECISIONS  
PER WEEK**



ACCESS TO A MARKET OF  
**65**  
MILLION CONSUMERS  
AND GATEWAY TO THE EMEA





**33%**

**OF FRENCH EXPORTS  
ARE GENERATED BY  
FOREIGN COMPANIES**