

Non-professional furnished rentals: Changes to income tax regulations for 2025

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The *Le Meur Act* of 19 November 2024 and the 2025 Finance Act have introduced substantial changes to the tax regime applicable to non-commercial furnished rented accommodation, particularly with regard to the type of accommodation concerned (short-term or long-term rentals) and the type of property that is rented out. (classified or unclassified tourist accommodation). Furthermore, the [Social Security Financing Act](#) and the [Finance Act for 2026](#) have introduced further changes relating to income from property rentals.

As the deadline for filing 2025 income tax returns approaches, we would like to draw your attention to the new rules applicable to this type of income.

Lowered thresholds for the micro-BIC tax regime

As a reminder, the micro-BIC regime (France's Industrial and Commercial Profits regime) applicable to non-professional furnished rental property owners is that of a simplified tax regime. This allows taxpayers receiving rental income below a certain threshold to benefit from a flat-rate allowance for expenses and charges, rather than being required to keep detailed accounts.

For the 2024 tax year, the revenue threshold required to qualify for this regime was:

- €77,700 for long-term rentals and non-classified furnished tourist accommodation,
- €188,700 for classified furnished tourist accommodation.

From the 2025 tax year onwards, the revenue threshold is lowered to:

- €15,000 for non-classified furnished tourist accommodation,
- €77,700 for classified furnished tourist accommodation and guesthouses, and for long-term rentals.

The flat-rate allowance rates are also reduced. The allowance applicable to non-classified tourist accommodation is now set at 30% (previously 50%), whilst that applicable to classified tourist accommodation and guesthouses is set at 50% (previously 71% for classified tourist accommodation).

In practice, these changes will result in a significant number of taxpayers being excluded from the micro-BIC tax regime, moving them to the actual income tax regime.

A change in the method for determining the taxable capital gain on property at the date of sale

The actual income tax regime for revenue from non-professional furnished rentals allows, in particular, for the depreciation of the property and furnishings when determining the taxable profit.

Historically, depreciation applied during the holding period of the property and deducted from the income from the activity was not taken into account when determining the taxable capital gains base in the event of the sale of the property.

For properties sold on or after 15 February 2025, and in order to align the regime with that of professional furnished letting agents, the depreciation deducted must be added back into the calculation of the capital gain on the property, effectively increasing the taxable income base (currently 19% tax rate) as well as social security contributions (currently 17.2% for taxpayers who are residents or 18.6% for non-residents: see our article on [Social Security Financing Law 26](#) on this subject). Nevertheless, the general rules applicable to capital gains on property for private individuals remain in force, notably with regard to allowances based on the length of ownership.

It should be noted that this change does not apply to certain types of property, including student residences, retirement homes or residences for the disabled, for which depreciation is not added back on the date of disposal.

Abolition of the tax benefit for members of an approved management body

From the 2025 tax year onwards, membership of an approved management body will no longer entitle the member to any tax relief. Account-keeping fees, however, will remain deductible from taxable income.

Social security contributions

Where social security contributions are concerned, the 2026 Social Security Financing Act has raised the rate of the general social contribution applicable to income from assets, including income from non-commercial furnished rentals, to 10.6% (previously 9.2%), resulting in an aggregate social security contribution rate of 18.6% (previously 17.2%). The rate of the CSG deductible from taxable income remains unchanged at 6.8%. This increase in social security contributions applies to income received from 2025 onwards.

Activities carried out on a professional or non-professional basis: the specific case of non-residents

To fall under the tax regime for professional furnished property rental (the "LMP regime" in France) requires the fulfilment of two cumulative conditions:

- The annual income from the furnished rental activity must exceed €23,000,
- This type of revenue must exceed the amount of other earnings of the tax household which are subject to income tax and which fall under the category of revenue from employment.

As non-resident taxpayers are liable for income tax in France solely on their French-source income, the second condition can easily be fulfilled in the absence of any professional activity / employment in France.

To address the almost automatic application of the LMP (professional furnished property rental) tax regime on non-resident taxpayers, the [Finance Act for 2026](#) stipulates that revenue from furnished rentals must now exceed the cumulative total of any taxable income from employment activity in France and any income received of a similar employment nature which is subject to an equivalent tax in the country of the taxpayer's residence.

This measure applies from the 2026 tax year onwards

In light of these non-negligible tax changes, our teams are available to assist you in determining your tax obligations and preparing your income tax returns.

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