

Insights

PARIS TEAM AUTHORS ARTICLE FOR 'BUSINESS IMMO' ON TAX CREDIT FOR RENT CANCELLATIONS

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BCLP's Paris Tax Team, led by Partners Christine Daric and Olivier Mesmin, authored an article Nov. 13 for *Business Immo* concerning a text submitted by the government on Nov. 13 related to tax credit for rent cancellations.

As part of the finance bill for 2021, the government introduced the amendment aimed at granting certain landlords a tax credit equal to 50 percent of the amount of abandoned rents during the lockdown period that began on Oct. 30. This tax credit would benefit landlords, individuals or legal entities, including those exempt from corporate income tax (SIIC and OPCI). For tax transparent partnerships (SCI) as well as for SCPI and OPCI, the tax credit could be used by shareholders. The buildings affected by this tax credit are those that are closed to the public because of the government lockdown or are leased to companies eligible for the solidarity fund established by decree No. 2020-371 of March 30 (companies in the hotel, restaurant and catering, tourism, culture, events or transport sectors). Under the conditions of the government's guidance, the renter must be a company with fewer than 5,000 employees; it cannot be in financial difficulty as of Dec. 31, 2019; cannot be in judicial liquidation as of March 1; and cannot be a company related to the landlord. Capping measures also would be introduced.

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MEET THE TEAM



Christine Daric

Paris

christine.daric@bclplaw.com

+33 (0) 1 44 17 77 68



Olivier Mesmin

Paris

olivier.mesmin@bclplaw.com

+33 (0) 1 44 17 77 69

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