**Memo about the general tax system of corporate philanthropy (« Mécénat »)**

*Extract with* ***remarks*** *of : https://www.culture.gouv.fr/en/Sites-thematiques/Mecenat/Entreprises/Le-regime-fiscal-general*

When a company subject to tax in France makes a donation to a general interest organization, it benefits from a reduction in corporate tax or income tax, but can also benefit from certain communication and public relations counterparties.

**The general scheme**

**The principle**

For businesses, the **tax reduction is equal to**:

* **60% of the amount of the gift made** in cash, jurisdiction or in-kind **up to €2 million in annual donations**
* **40%** **of the amount of the** **gift made** in cash, jurisdiction or in-kind **in excess of €2 million in annual donations (with exceptions)**

**Annual Donation Limit qualifying for the tax advantage is €20,000 or 0.5% of turnover (excluding taxes),** when the latter amount is higher. If this ceiling is exceeded, it is possible to **carry forward the excess tax reduction for the next five fiscal years**.

**[…]**

**The counterparties**

The counterparties constitute **a benefit offered by the beneficiary** to the donor in addition to the tax reduction. The value of these counterparties must remain in a **“significant disproportion”** with the amount of the donation. A ratio of 1 to 4 between the amount of the counterparties and the amount of the donation is allowed, i.e., the value of the counterparties granted to the sponsorship undertaking must not exceed **25% of the donation amount.**

**The valuation of counterparties**

All counterparties, whether material or immaterial (presence of the patron’s logo on the communication media of the supported project), received by the company must be the subject of a valuation carried out by the recipient organization. The payment undertaking shall declare, in accordance with the reporting obligations, the value of the direct counterparties granted by the recipient of the grants and, where applicable, the indirect counterparties granted by another body.

There are **different situations**:

* If a **patronage agreement provides for** the existence of counterparties, the value of the goods and services to be reported by the paying undertaking shall be the same as that mentioned in that agreement.
* In the absence of an agreement, where the goods or services received as consideration are the subject of a commercial offer from the recipient organization, the value of the consideration thus granted free of charge that should be declared is the selling price of that good or service.
* In the absence of an agreement and where the good or service received in return is not the subject of a commercial offer from the recipient organisation, it must be valued at its cost. The cost of a good or service includes all the costs incurred by the organization to acquire or produce that good or service.)

All counterparties received by the paying undertaking must be **reported**, **whether or not they have been used**. If counterparties, the principle of which was agreed between the recipient body and the paying undertaking at the time of the donation, are subsequently received, they must be declared in the year during which the donation was made.

**Intangible counterparties**

The tax authorities specified the valuation rules for these counterparties in the [BOFIP of 7 August 2019](https://bofip.impots.gouv.fr/bofip/12473-PGP.html/identifiant%3DBOI-BIC-RICI-20-30-40-20210203) (§90 et s.):

* Corporate philanthropy for projects/**institutions of regional scope**: up to a **maximum of 5%**
* Corporate philanthropy for projects/**institutions of national or even international scope**: a **maximum of 10%**

**Remark : The Fondation Mines Telecom is a national institution allowing the rate of 10% (Décret 7th mars 2012 - JORF n° 0059 of 9 mars 2012)**

***Example***

Through a financial sponsorship of €100,000, a company is supporting the purchase of a work of art in a museum in France. It can therefore benefit from €25,000 in counterparties.  
  
The material counterparties granted by the museum are valued according to the price scale in force in the establishment: provision of a reception area for an evening, valued at 10,000 euros, 500 admission tickets for the museum, valued at 10 euros per unit, either 5,000 euros, 100 books on the history of the museum, valued at 50 euros per unit, or 5,000 euros. The total value of the material counterparties is therefore equal to €15,000.  
  
In addition, the name and logo of the recipient company appear on all the museum’s communication media relating to the presentation of the newly acquired work of art. The valuation of this type of intangible counterparty may not exceed 10% of the amount of the company’s donation, in the context of a national or international project or 10,000 euros of communication counterparties.  
[…]

**The reporting obligation**

Companies are subject to a reporting obligation starting at €10,000 of donations and payments, during a fiscal year, eligible for the tax reduction. Businesses will have to declare, for each donation, to the tax administration, via the **appendix of Form 2069 RCI-SD**:

* The amount of the donation
* The date of the donation
* The identity of the recipient of the gift
* Counterparties granted: the value of goods and services received, directly or indirectly, in return for the gift

The declaration must be transmitted in electronic format within the same time limit as that for the filing of the declaration of results, that is to say within the **three months following the closing of the financial year. In the** absence of a declaration, the company is liable **to a fine of €1,500.** In case of an omission or an inaccuracy, €**15 is due for each inaccuracy or omission**.

**Intermediary Organization**

When **donations and payments** are made **to an intermediary organization**:

* if **the intermediary body acts as a mere fundraiser**, the paying undertaking shall **declare the identity of the ultimate beneficiary.**
* if **the intermediary is eligible for sponsorship and remits the donations and payments to one or more of the eligible sponsors,** the recipient company shall **declare the identity of the intermediary.**

**Counterparties granted**

The value of the goods and services to be reported by the recipient company is the same as mentioned in the sponsorship agreement. These are the counterparties granted and not the counterparties consumed. By way of exception, counterparties transferred to bodies eligible for patronage are not to be declared by the sponsoring undertaking.  
  
Within the framework of multi-annual sponsorship agreements, sponsoring undertakings must declare each year an equal share of the total value of the counterparties granted as defined in the sponsorship agreement (e.g. one-third each year in the case of a triennial agreement).

**Calculation Help Sheets**

In addition, a **calculation aid form is available** to help determine the amount of the corporate tax reduction. This Calculation Assistance Sheet # 2060-M-FC-SD does not need to be filed with the tax authority.

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Form 2069 RCI-SD (CERFA no. 15252). pdf

[Form 2069-M-FC-SD (CERFA #15438) . pdf](https://www.culture.gouv.fr/en/Media/Medias-creation-rapide/Formulaire-2069-M-FC-SD-CERFA-n-15438-.pdf)