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

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

The system of income tax reductions available to individuals has been unified and improved by the Act of 1 August 2003 on Patronage, Associations and Foundations and its successive advances. It covers all donations made to works and organizations of general interest. The definition of the beneficiary sectors, including culture, is very broad.

**The tax system**

The tax reduction is equal to 66% of payments, retained in the annual limit of 20% of taxable income. This threshold has been doubled since the previous situation. [….]

For an income that would be stable over five years, the donor may deduct 66% of income tax over the same period as a gift equal to the total taxable income for the initial year. This provision is intended to enable individuals to set up or increase the capital of a foundation through a significant one-time contribution. Article 200 of the CGI thus improved makes it possible to meet both the needs of regular donors of small sums, and the needs of those who want to carry out an important act of patronage on an ad hoc basis.

Please note that donations can be money, but also in-kind donations (for example, works of art) including "express abandonment of income and products".

Finally, the employees of companies are now allowed to benefit from tax rebates for all donations made to the foundation from their company, or the foundation of their group.

See more about this : Article 200 of the CGI

**The counterparts**

The counterparts constitute a **additional benefit to the donor** tax reduction. The value of these counterparts must remain in a **ratio of 1 to 4 with the amount of the gift**, that is, they must not exceed **25%** of this amount. In the case of private sponsorship, they must not exceed **€73 as of 1st January 2021**.

Associated documents: BOI-IR-RICI-250-20-20120912, §90; [Articles 23 N](https://www.legifrance.gouv.fr/affichCodeArticle.do;jsessionid=740302EB823635DAC7729E88C7846812.tplgfr34s_3?idArticle=LEGIARTI000032694398&cidTexte=LEGITEXT000006069576&categorieLien=id&dateTexte=) and [28-00 A](https://www.legifrance.gouv.fr/affichCodeArticle.do?idArticle=LEGIARTI000032694393&cidTexte=LEGITEXT000006069576&dateTexte=20160613) of Schedule 4 to the CGI

**Tax-deductible donations from the IFI (Real Estate Wealth Tax)**

Only foundations recognized as being of public utility, non-profit research or higher education or arts education institutions of general interest are eligible for this category of grant.

[Law No. 2007-1223 of 21 August 2007](https://www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT000000278649) in favour of work, employment and purchasing power (known as the “TEPA Law”), Article 16[, amended Article 885-0 V bis of the CGI](https://www.legifrance.gouv.fr/affichCodeArticle.do;jsessionid=EDD4E447F30787C389FF227F98C0CF4D.tplgfr30s_3?idArticle=LEGIARTI000028434630&cidTexte=LEGITEXT000006069577&categorieLien=id&dateTexte=20171231) to allow ISF providers to write off their contribution, within the annual limit of €50,000, 75% of the donations made, in particular, to foundations recognized as being of public utility and to public or private, general interest, non-profit research, higher education or arts institutions.

The **abolition of the ISF and the creation of the IFI** (real estate wealth tax), by the Finance Law No. 2017-1837 of 30 December 2017 for 2018, did not change this system but limited its scope by reducing the number of taxable persons. Taxable persons are those whose taxable real estate assets exceed €1,300,000.

In accordance with [Article 978 of the CGI](ttps://www.legifrance.gouv.fr/affichCodeArticle.do?cidTexte=LEGITEXT000006069577&idArticle=LEGIARTI000036385043&dateTexte=&categorieLien=cid), the person liable to pay tax on real estate assets may, within the **limit of €50,000, 75% of the amount of cash donations** and full ownership donations of company securities that are admitted to trading on a regulated French or foreign market made in particular for the aforementioned institutions and foundations.

Associated document : [BOI 7 S-5-08 No. 61 of 9 June 2008](https://www.culture.gouv.fr/content/download/19753/file/7%20S-5-08%20%28ISF%202%29.pdf?inLanguage=fre-FR)