

Withholding of Income Tax at Source

Evolutions to come in 2025



Reminders

Individuals whose **tax residence** is located in France are subject to taxation and must pay income tax on their **French-source income**.

Income tax is calculated based on the various types of income earned by the **tax household**.

The applicable **tax rate** is determined using a progressive scale based on the household's **family quotient**.



Tax residence: Establishment of the household or main place of residence, exercise of a professional activity, or center of economic interests



Income: Salaries, replacement income, financial income...



Income tax: Direct tax on the total income of individuals making up a tax household



Tax household: Includes the taxpayer, their spouse, their children and dependent persons

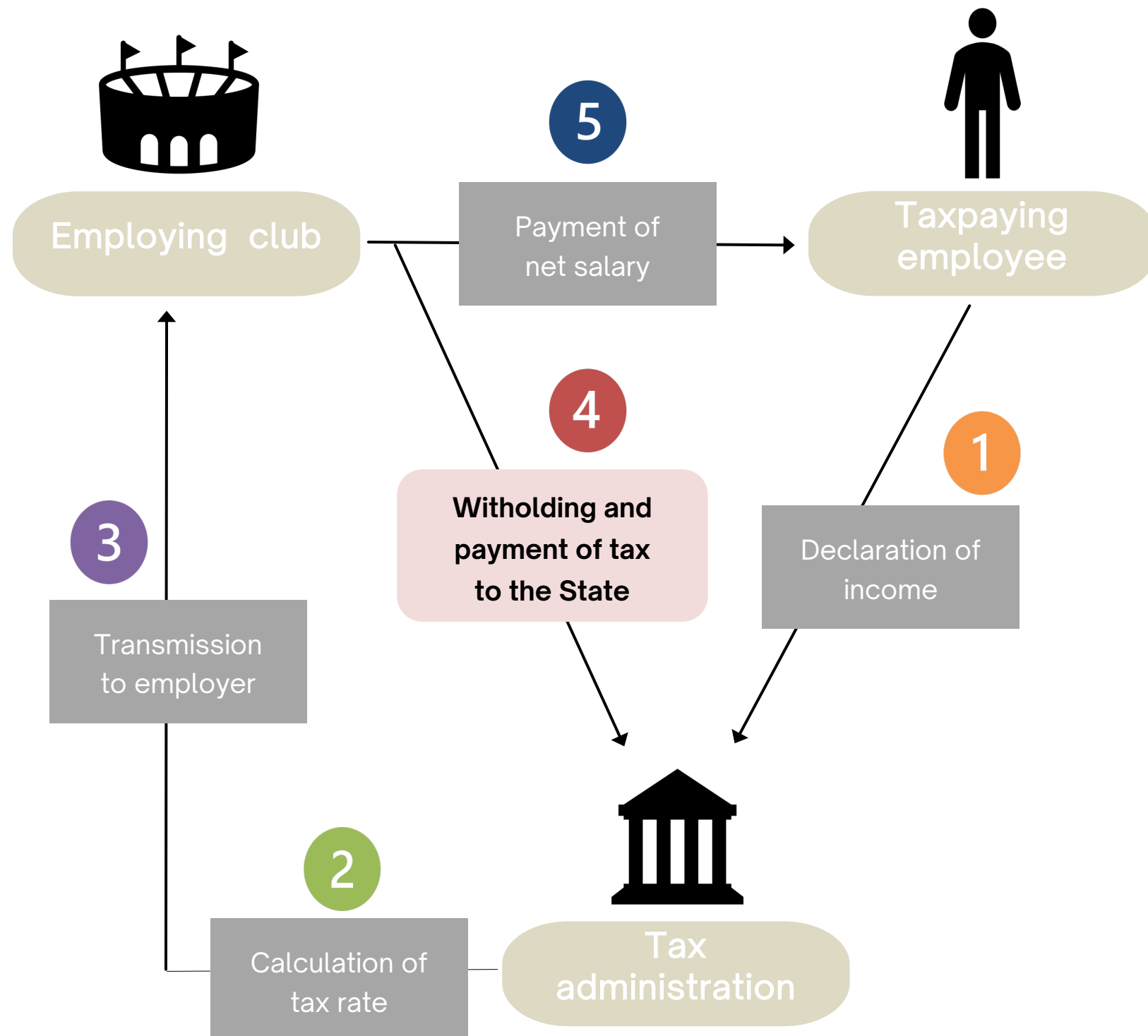


Tax rate: Rate at which income is taxed, indicates the proportion of income paid as tax



Family quotient: Adjustment of the amount of tax based on the taxpayer's personal and family situation and the number of dependent persons.

Reminders



In France, since 2019, income tax has been directly withheld at source each month.



The taxpayer files their income tax return and specifies the composition of their tax household (family quotient).



Based on the declared or estimated income and the family quotient, the tax authorities determine the applicable withholding rate.



The tax rate is sent to third parties paying income to the taxpayer (e.g., by the employer for wages and salaries, by social security for sick pay...).



The tax is directly withheld by the third party paying the income and transferred directly to the State.



The taxpayer receives income net of tax.

To note: In the event of a change in income level compared to the previous year, or a change in personal circumstances (marriage, civil partnership, birth, etc.), the taxpayer can request an update of their withholding tax rate during the year.

Reminders

To reflect the diversity of taxpayers' fiscal situations and the characteristics of each tax household (income, family situation, etc.), alternative withholding tax rates may apply.

In 2025, a new rule regarding the coordination of personalised and individualised tax rates will be implemented and may have an impact on your personal situation.

ZERO RATE	NEUTRAL OR NON PERSONALISED RATE	HOUSEHOLD PERSONALISED RATE	INDIVIDUALISED RATE
When the income of the tax household falls below a certain threshold, the taxpayer is not subject to income tax, and their withholding tax rate is reduced to zero. This is often the case for apprentices or interns whose total salary or allowances do not exceed the taxable income thresholds.	Flat rate calculated based solely on the amount of remuneration, without considering the personal situation (equivalent to the rate for a single person without children). This rate may apply in various situations: • New taxpayers who have never filed a tax return. • Newly hired employee (the employer has not yet received the rate calculated by the tax authorities). • Upon request, for employees who do not wish to share their personalised rate with their employer (the difference between the amount of tax calculated using the personalised rate and that deducted via the flat rate must then be paid directly to the State by the taxpayer).	The personalised rate takes into account all the household's income (married couples or partners in a civil union). This rate is applied automatically and is the same for both partners, regardless of any (sometimes significant) differences in income within the couple. However, partners in the same household may opt to apply an individualised withholding tax rate.. 	To take into account the income gap between the members of a couple, married or civilly partnered taxpayers subject to joint taxation within the household may request the application of an individualised withholding rate to their personal income (such as their respective salaries) This option is automatically renewed unless expressly cancelled by one of the taxpayers concerned, in which case the standard personalised household rate will apply again.. 

Changes to come in 2025



Currently, for married or civilly partnered couples, the income tax return is filed jointly.

Each taxpayer within the same household is therefore automatically subject to a common withholding rate (the personalised household rate), calculated based on the couple's total declared income.

This rule can be unfair to the lower-earning partner, who is taxed each month at the same rate as the higher-earning spouse.

It is only upon request that the lower earner may choose an individualised rate, allowing for a more balanced distribution of the tax burden in cases where there is a disparity in income between spouses..



In order to strengthen equity within couples by taking income differences into account, [Article 19 of the 2024 Finance law](#) provides for a change to this system.



From the 1st September 2025, and in order to better reflect the income disparities that may exist within jointly taxed couples, the principle will be reversed: an individualised rate will be systematically applied to each spouse's personal income.

The application of the couple's common rate, which was previously automatic, will become an option that must be jointly requested by both spouses.

Example



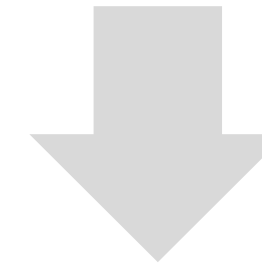
- Married couple with no children or dependant persons
- Marc receives €80,000 in taxable income per year.
- Lola receives €30,000 in taxable income per year.



Current situation

By default, the couple is subject to a common withholding tax rate of 14.6% applied to the total income of both spouses, resulting in €16,060 in tax, distributed as follows:

- €11,680 in tax withheld from Marc's salary
- €4,380 in tax withheld from Lola's salary



Situation starting from September 2025

By default, each spouse is assigned an individualised rate based on their own income. Marc's rate is set at 18.1%, and Lola's at 5.3%, resulting in €16,070 in tax distributed as follows:

- €14,480 in tax withheld from Marc's salary
- €1,590 in tax withheld from Lola's salary

The application of individualised rates consists of a different distribution of tax payment between spouses.

Due to the application of her own individualised personal rate, Lola bears a lower tax burden.

The spouses may still, if they wish, opt to return to the application of the couple's common tax rate.



QUESTIONS / ANSWERS

❑ Why this reform?

Under the current system, the spouse with the lower income is subject to the same tax rate as their higher-earning partner.

The reform aims to strengthen equity within the couple by taking income differences into account.

Beyond the financially unfavourable impact for the lower-earning spouse, a high withholding tax rate may also reveal to their employer that their partner earns significantly more.

This information could potentially have a negative impact on future salary negotiations.

❑ Concretely, what will this change mean for me ?

While the reform does not affect the total amount of tax owed by the tax household, it changes the income tax split between the two spouses through withholding at source.

The individualised rate will allow the tax to be distributed based on each person's ability to pay, and will therefore lead to changes in cash flow within the couple.

Concretely, if you were not already using the individualised rate in your household and if your income is significantly higher than your spouse's, the tax withheld from your income as of September 2025 will increase. As a result, your net income after tax will decrease.

On your payslip, several elements may change:

- The withholding rate, which is likely to increase
- The amount of tax collected, which is likely to increase
- The net income paid to you by your employer after tax, which is likely to decrease

❑ Is it possible to refuse the individualised withholding rate?

It will always be possible to revert to the common rate by making a request via your personal account on impots.gouv.fr

Nota Bene : The option takes effect within 1 to 3 months, and both spouses must jointly opt for the return to the common rate.

QUESTIONS / ANSWERS

☐ Why is this change taking place in September 2025?

The income tax return you completed in the spring was used not only to calculate your 2024 taxes, but also to update your withholding tax rate.

This summer, each taxpayer will receive their individualised rate, calculated based on their income declarations.

These rates will be transmitted to employers and applied starting from September.

☐ Does this change anything for me if I am single or the only one earning income in the couple ?

The reform will not affect the situation of single individuals, “single-earner” couples, or couples with balanced incomes. In these different cases, the amount of tax withheld at source will remain the same before and after the reform.

☐ Does the reform also apply to joint income? (e.g. rental income)

The individualised rates will apply only to each spouse’s personal income. For joint income, the household tax rate will continue to apply.

☐ What happens if my situation changes during the year (change in income, marriage, divorce, etc.)?

If your personal or professional situation changes (salary increase, birth of a child, divorce, etc.), you can always request a revision of your withholding tax rate on the website impots.gouv.fr.

Sources & ressources

- [Actualité BOFiP du 7 mai 2025](#)
- [impots.gouv.fr : Brochure explicative](#)
- [impots.gouv.fr : Gérer mon prélèvement à la source](#)
- [impots.gouv.fr : Questions / réponses](#)
- [impots.gouv.fr : Simulateur de prélèvement à la source](#)
- [service-public.fr : Prélèvement à la source : la répartition par défaut évolue pour les couples mariés ou pacsés](#)
- [www.economie.gouv.fr : Comment gérer votre taux de prélèvement à la source ?](#)

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