

JAMES HOWES & CO

MEMORANDUM ON PROFESSIONAL VS NON-PROFESSIONAL FURNISHED LETTING

As at 24 March 2026

For income received until 31 December 2025

To meet the criteria of *location meublée professionnelle* (LMP):

- 1 Gross rental receipts from furnished letting had to be more than € 23,000 p.a. from worldwide property of all members of the foyer; and
- 2 Worldwide gross furnished rental income had to be greater than other income (e.g. salaries, pensions, business activities) **taxable in France**.

This meant that non-residents who had no other taxable income in France met the criteria of LMP if their worldwide rental income was over € 23,000. The loi des finances 2026 has sought to correct this.

For income received from 1 January 2026

To meet the criteria of *location meublée professionnelle* (LMP):

- 1 Gross rental receipts from furnished letting must be more than € 23,000 p.a. from worldwide property of all members of the foyer; and
- 2 Worldwide gross furnished rental income must be greater than other worldwide income (e.g. salaries, pensions, business activities).

If these conditions are met, then, subject to any applicable social security treaty, substantial social contributions are due on the rental income as it is treated as professional income from a commercial activity subject to the *régime des travailleurs indépendants*. In this case, it would be better to declare the income under the *régime réel* rather than the *régime micro*, as under the *régime réel* social contributions are calculated by reference to the net profit rather than the gross income and are deductible expenses therefrom.

If the criteria are met at the time of sale of the property, any gain would fall under the *régime des plus values professionnelles*. Info-Doc Expert confirmed this to be the case on 18.03.26. The micro LMP regime is subject to *plus-values professionnelles*, even though the property is not *inscrit dans le bilan*, because it is considered to be used for the *besoins de l'exploitant*.

Summary table of position from 1 January 2026:

	Worldwide furnished rental income over € 23,000	Worldwide furnished rental income less than € 23,000
Worldwide furnished rental income > worldwide other non-investment income	LMP	LMNP
Worldwide furnished rental income < worldwide other non-investment income	LMNP	LMNP