

The CICE tax credit may henceforth be offset against corporate income tax installments

Following a recent change in the administrative doctrine governing the use of the Competitiveness and Employment Tax Credit (*Crédit d'Impôt pour la Compétitivité et l'Emploi*), such tax credit may henceforth be offset against corporate income tax installments.

The Competitiveness and Employment Tax Credit or (the "CICE tax credit") provided for under Article 244 quater C of the French Tax Code, is determined for a particular fiscal year and offset against the balance of the corporate income tax (the "CIT") due for that specific year.

The part of the CICE tax credit that has not been offset against the CIT is considered as a receivable from the French tax authorities and may be used for the payment of the CIT that will be due for any of the next three financial years. At the end of this three-year period, the unused part of the surplus, if any, is refundable.

Until now, the French tax authorities considered that this receivable could only be offset against the balance of the CIT due for a particular fiscal year, not against CIT installments.

A recent change in applicable administrative doctrine removed this restriction.

As such, effective as from the **CIT installment due on March 15**, any company that benefits from a deferrable CICE tax credit **can offset such credit against the CIT installments due for the next financial year**.

In practice, the CIT installment statement (i.e. form n°2575-SD) now includes a specific entry line for the CICE.

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