

Tax Deduction for adverse events in France

Marine Raffray

French Agricultural Chambers

aGRICULTURES
& TERRITOIRES
CHAMBRE D'AGRICULTURE

Principle behind the tax deduction for adverse events



Déduction pour aléas (DPA)

National tax system as a tool to rectify income volatility

→ Smoothing taxable income

Creating savings to deal with unexpected events

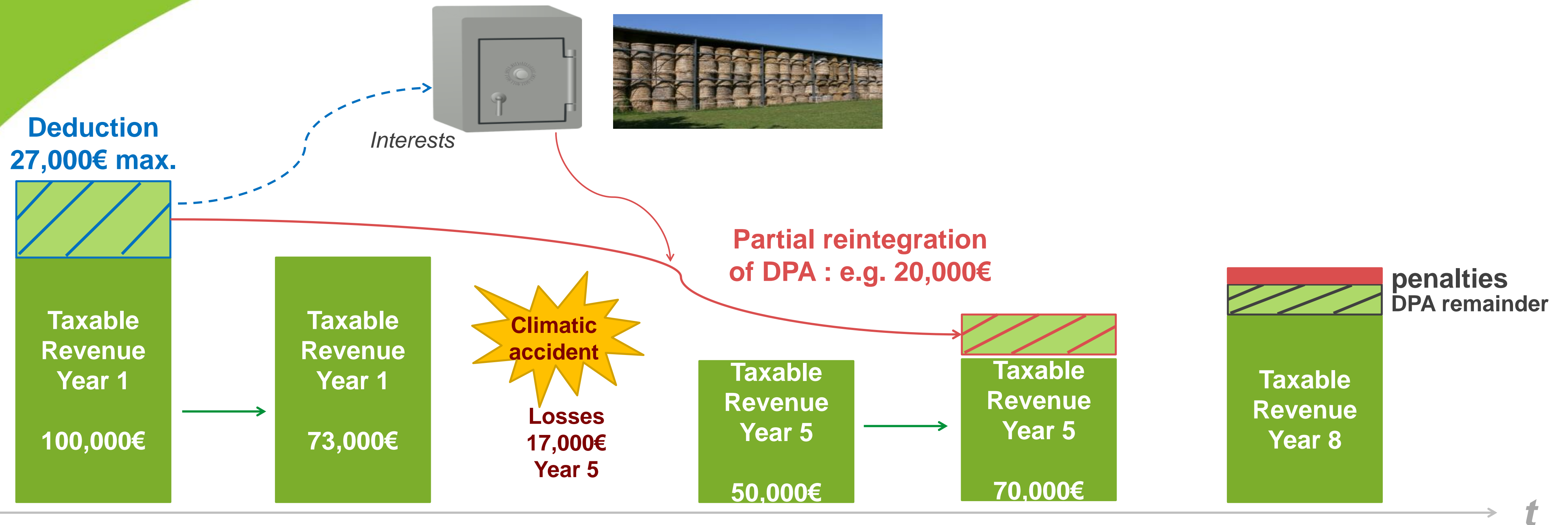
How does it work?



- Beneficiaries
- Thresholds to be respected – 27,000 € per year ; up to 150,000 €
- Conditions to use the DPA
- Reintegration



At least 50% on a specific account or fodder storage increased by 50%



Under special conditions, DPA can be used :

- To purchase fodder
- To pay insurance premium (up to the due amount)
- In case of climatic events, diseases, environmental incidents
- In case of fire, crop damage, loss of livestock
- In case of loss of value added (up to the amount of the loss)

How could we encourage the use of the DPA?



- **Still not widespread (2013 : 5800 farms ;**
- **Other competing tax schemes**
- **Possible ways forward**
 - removing the annual threshold
 - decreasing the minimum blocked amount
 - more flexible conditions to use the DPA
 - removing penalties

➔ Building a sound risk management toolkit

Thank you

marine.raffray@apca.chambagri.fr



Tax Deduction for adverse events in France