

Crisis and Opportunities of French Local Tax System

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Abstract

Since 1993, the French local tax system has undergone an unprecedented crisis of marginalization. In the past decade, the French central government, through a series of legislations, reduced substantially the financial resources of local government and replaced them by the donations and subventions. Though numerous reasons have been broached in an effort to explicate such an inverse development of "decentralization", it is generally held that, inter alia, the obsolescence and the unfairness of French local tax law, the anachronistic tax levying system, and the pressure inflicted during the process of European integration. The crisis of marginalization or "re-centralization" was resolved provisionally following the amendments of the French Constitution in March, 2003. However, new issues emanating from the legislations as such shall be closely monitored thereafter. By exploring initially pertinent designs of the local autonomy under the realm of French Constitution and wrapping up with comment on the relevant institutions under Article 72-2 of the French Constitution Amendments, the Article purports to offer not only insights towards the French local tax law, but also a comparative platform for contemplating issues emerging from the newly issued Act of Local Tax in Taiwan.

Keywords: French constitution, French tax law, local tax, local autonomy, decentralization, local finance, Principle of financial compensation, financial perequation, European integration, Principle of financial discipline.

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