# [FR] New tax on video distribution of audiovisual content

**IRIS 2017-2:1/15**

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By adopting an amendment to the Finance Act on 29 December 2016, French MPs defied the government by including the advertising income of websites offering free or paid video content in the sum of revenue generated from video sale and rental on which the so-called 'video and VoD tax' is levied to fund the National Centre for Cinema (Centre national du cinéma - CNC). The tax will be paid by providers of on-demand audiovisual media services and social platforms (such as YouTube or Dailymotion) that offer access to audiovisual content.

The tax will therefore apply to any operator, wherever it is based, offering a service in France that provides or enables access to cinematographic or audiovisual works or any other audiovisual content, whether for payment or free of charge. The 2% tax rate increases to 10% for advertising or sponsorship revenue linked to "the distribution of cinematographic or audiovisual content and works of a pornographic or violent nature".

The tax is payable on the total sum, excluding VAT, paid by advertisers and sponsors to the providers themselves or to advertising and sponsorship agencies for the dissemination of their advertisements and sponsorship messages. These sums are subject to a flat-rate deduction of 4%, or 66% in the case of services which provide or enable access to audiovisual content created by private users for the purposes of sharing and discussion via a social platform. For on-demand audiovisual media services, the tax is due on the sum received in return for access to cinematographic and audiovisual works. It is not levied on payments made by advertisers and sponsors for the dissemination of their advertisements and sponsorship messages on catch-up TV services, which are already subject to a separate tax.

Services in which audiovisual content is of secondary importance, such as newspaper websites, services "mainly devoted to information", and services designed to provide the public with information about audiovisual works (trailers, for example) are excluded.

***Nouvel article 1609 sexdecies B du Code général des impôts, issu de la loi n° 2016-1918 du 29 décembre 2016 de finances rectificative pour 2016***

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https://www.legifrance.gouv.fr/affichCode.do;jsessionid=2390FCB9561B28955D4A19F5AECF1A77.tpdila19v_2?idSectionTA=LEGISCTA000020549521&cidTexte=LEGITEXT000006069577&dateTexte=20170206

*New Article 1609 sexdecies B of the General Tax Code, Act no. 2016-1918 of 29 December 2016 amending the Finance Act for 2016*

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