
Centre national
de la musique



The streaming tax.

2 Why implement a tax on music streaming ?



- The CNM (the national music centre) was established in 2020 with a budget of 30 million euros allocated to support the French music sector.
- This funding primarily came from the proceeds of the tax on live shows, covering half of the identified needs outlined in the public report that led to the CNM's creation.
- In 2022, Emmanuel Macron requested consultations with the music industry to establish a new source of funding for the CNM. He mentioned the possibility of a tax on streaming services.
- In December 2023, the French Parliament adopted a tax, effective from 1st January 2024, on the provision of paid or free services offering access to recorded music, commonly known as the "music streaming tax."
- The revenues generated by this tax are allocated to the CNM and are subject to an annual cap.

3 Who pays the tax?

- Payers of the tax are **legal persons, whether based in France or not, who engage in the rental of, and collect revenues from, recorded music or music videos owned by legal persons based in France.**
- The term "rental of recordings or music videos" refers to providing the public with a service that, at its core, grants access, for a fee or for free, to recorded music or music videos.
- Services primarily dedicated to providing information about musical works and their promotion are not affected.



4 Base & rate

- The tax is based on the amount exclusive of value-added tax of:
 1. The price paid by the public for the rental of recordings and music videos in France;
 2. 34% of the sums paid by advertisers and sponsors for the broadcast of their advertising messages on a service providing, or allowing access to, recordings or providing free access to content created by private users for sharing and exchanging within communities of interest.
- The base is determined, for each calendar year, as the fraction of the sum of these amounts exceeding the threshold of 20 million euros.
- **The tax rate is set at 1.2%**, and its trigger occurs at the end of the calendar year during which the sums were collected. It is due whenever the aforementioned amounts exceed the 20 million-euro threshold.



5 Collection method



- The tax is collected and controlled by the DGFIP (the directorate general of public finances) using the same procedures as for the collection of VAT (Value Added Tax). Companies will be required to declare the tax on an annex to the monthly VAT declaration submitted to the DGFIP services.
- It's important to note that the declarations have been made available online on the impots.gouv.fr website and are therefore accessible to businesses from now on.
- For procedures enabling the transfer of the the amounts collected by the DGFIP to the CNM, the relevant DGFIP office now falls within the purview of the Ministry of Culture's taxation functions.

6 A tax to support the French music sector



The revenues generated by the streaming tax complement those from the live performance tax to fund the CNM's aid program.

→ The institution's management expenses, funded by a subsidy for public service from the Ministry of Culture, are not affected by the tax.

The CNM's aid program aims to support the diversity of the French music industry, encompassing diverse aesthetic, regional or economic models. It is divided into two main types of financial support.

Specialised programs tailored to meet the specific needs of all music sectors: the record industry, the live industry, music publishing and record stores.

Cross-sector funding intended to support the industry in addressing major contemporary challenges, such as ecological transition, innovation, international development, and gender equality.

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