



Gil Figueira
& Devillet Lima
Advogados

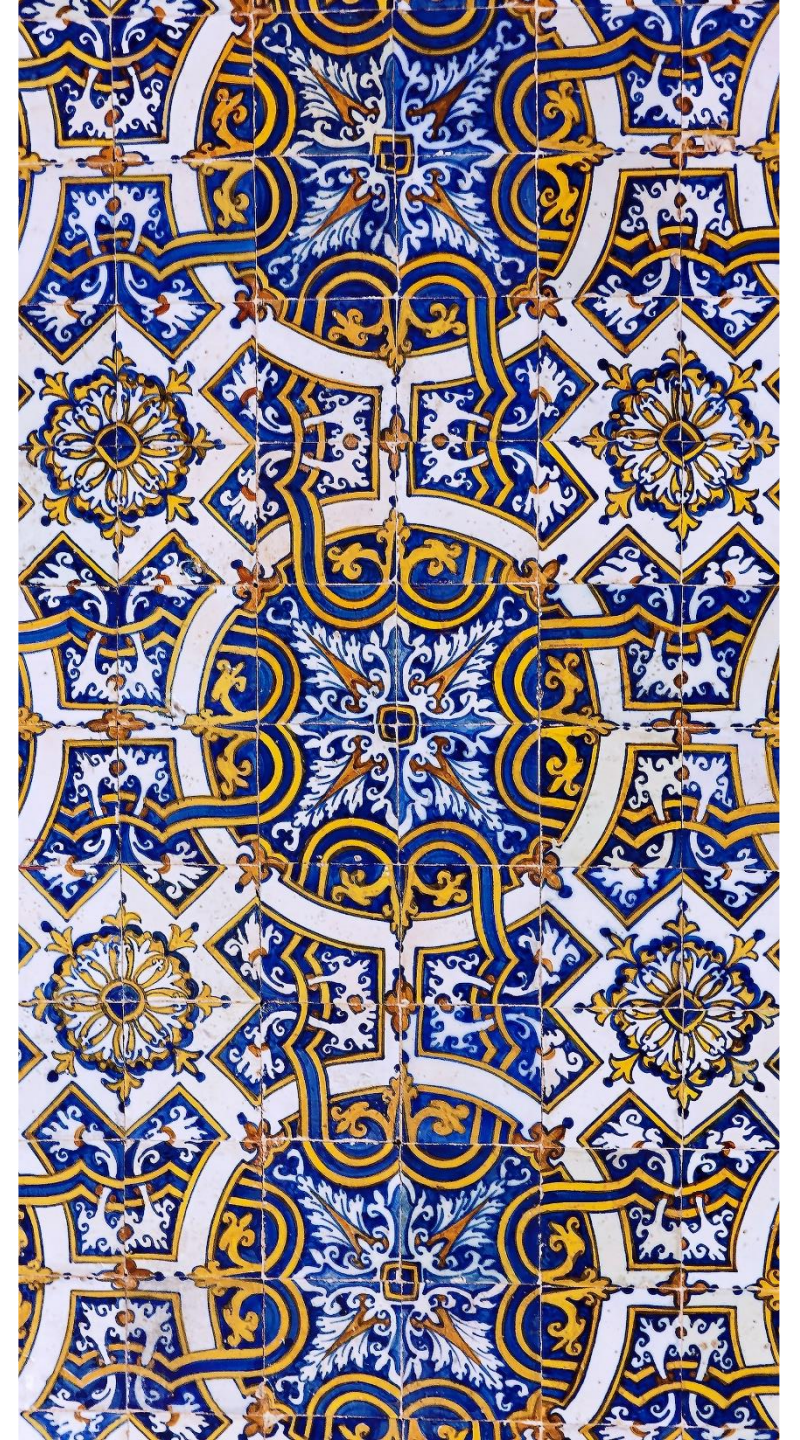
Understanding Portuguese Taxes

Live and Invest in Europe

Virtual Conference

July 2023

www.gfdl.legal





Topics to consider

- Concept of tax residency
- Tax on investments
- Taxes applicable for full time residents
- Tax Incentives
- Avoiding Double Taxation





Tax residency

Scope of taxation



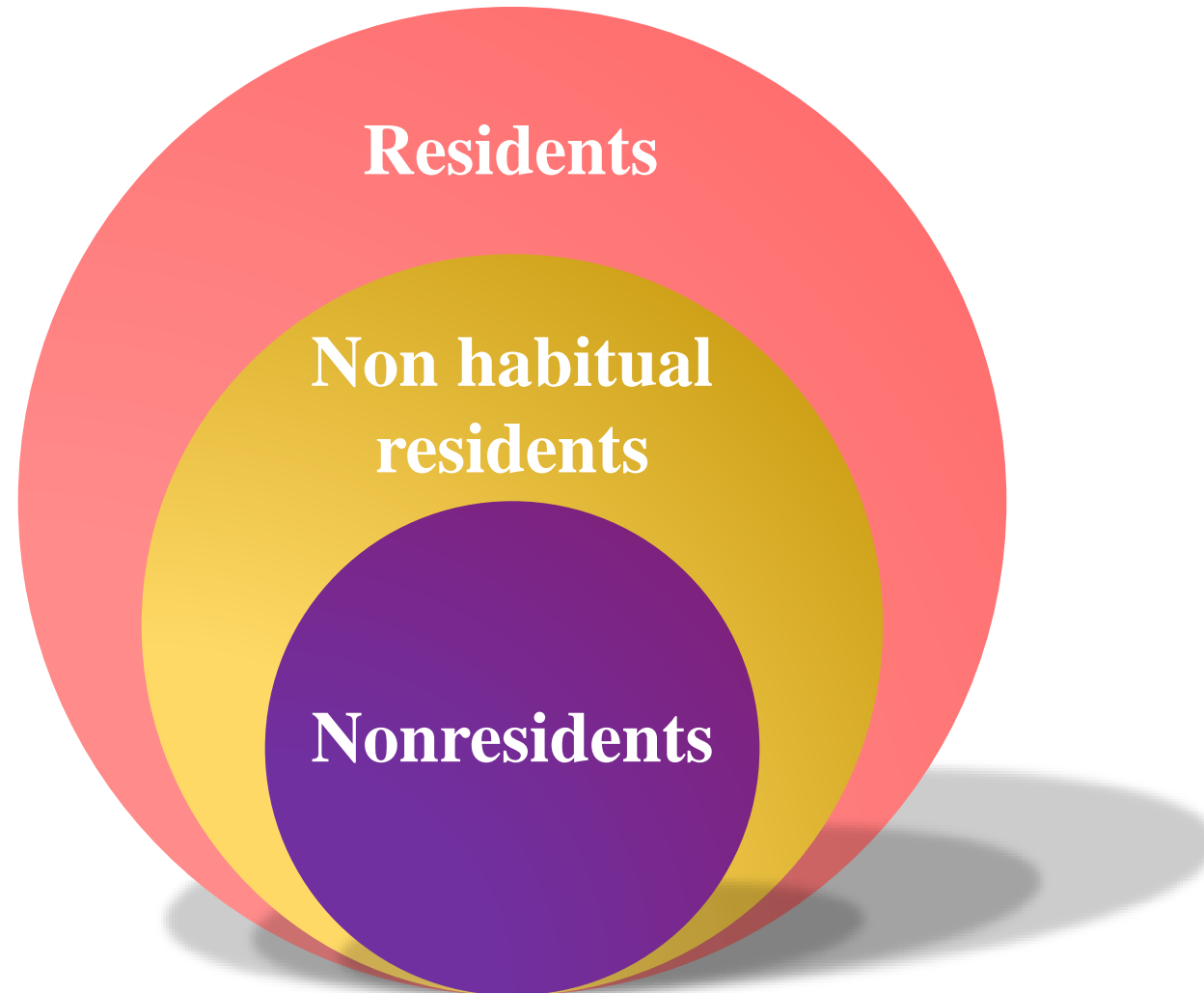


Tax residency in Portugal



- Qualifying criteria for tax residency
 - 183 days in Portugal; or
 - Hold a dwelling on any given day of the fiscal year.

Level and scope of taxation





Resident individuals

- Scope of taxation: Worldwide income
- Qualifying criteria:
 - 183 days in Portugal; or
 - Hold a dwelling on any given day of the fiscal year.
- Dual residency and/or double taxation?



Nonresident individuals

- Scope of taxation: PT source income
- Withholding taxes
- Tax return – Rental income and capital gains (property)
- Tax Treaty may avoid or limit withholding tax in Portugal



Non habitual tax residents

Tax benefits for resident individuals





Key aspects

- Special Income Tax Regime
- Eligibility: Nonresident for the last five years
- 10 years
- Lower rates for earned income
- Exemptions for foreign passive income





Who, when and how?

Who?

• Tax Residents who did not qualify as tax residents before (last five years).

How?

• Trigger rule: 183 days in Portugal
Optional: Hold a dwelling during any day of the year

Exempt

• Rule: Foreign source income liable to tax at source*

Taxed

• Capital Gains on the sale of securities
• Portuguese Sourced Income
• Income paid from backlisted tax havens*



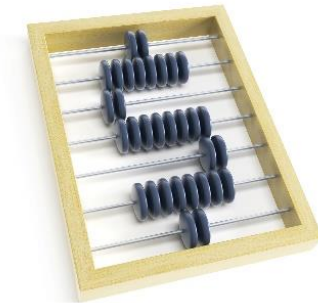
Tax benefits

- **A. Lower tax rates**

- High Value-Added Activities 20% or exempt
- Foreign pensions 10%

- **B. Exemptions** (foreign source income)

- Dividends
- Interest
- Royalties
- Rental Income
- Capital gains on the sale of real estate
- Salaries taxed at source
- Cryptocurrencies*





Income liable to tax

- Capital Gains (Financial Assets)
 - Short Term – Progressive rates
 - Long Term – 28%
 - New developments - Litigation
- Capital Gains (Crypto)
 - Short Term – 28%
 - Long Term – 0%
- Capital Gains on the sale of Portuguese property – Rollover relief available



Income liable to tax

- Portuguese rental income
 - Long term – 28% / 26% / 23% / 14% / 10%
 - Short term – Half of income not taxable
- Portuguese earned income – Progressive rates or 20% (HVA)
- Tax havens without a Tax Treaty – 35%



USA income paid to a PT NHR

Dividends <ul style="list-style-type: none">• US 15%• PT 0%	Interest <ul style="list-style-type: none">• US 10%• PT 0%	Capital Gains Shares & Bonds <ul style="list-style-type: none">• US 0%• PT 0%* / 28% / Progressive	Rental (USA) <ul style="list-style-type: none">• US X%• PT 0%
Pension <ul style="list-style-type: none">• US 0%*• PT 10%	Inheritance & Donation <ul style="list-style-type: none">• PT 0% - Close family• PT 10% - Others	Salaries <ul style="list-style-type: none">• US X%• PT 0%	Corporate Tax Rate <ul style="list-style-type: none">• PT 21% / 17%



Other taxes

Income generated in Portugal

VAT





Value Added Tax

- Applicable to almost all goods and services
- Standard rate 23%
- Two reduced rates
- Medical services exempt
- Differs from sales tax



Short term rentals

- Temporary accommodation services to tourists
- Restrictions apply to the number of unites per building
- Generally restricted in the future
- Registration as a self-employed taxpayer
- Taxable basis - 50% / 35% of income - Simplified regime



Taxes at source (nonresidents)

- Long term rental income – 28%
- Capital Gains on the sale of Portuguese real estate – 28% on 1/2
- Dividends and interest – 28% (15%)
- Salaries and Self-employment income – 25%
- Tax Treaties with more than 70 countries.



Questions & Answers





Gil Figueira
& Devillet Lima
Advogados

Offices

Rua Rodrigues Sampaio 97 – 1º
1150-279 Lisboa - Portugal

Tel.: +351 210 997 356
Te.: +351 210 200 076
Tel.: +1 646 760 56 61
E-mail: hello@gfdl.legal
Web: www.gfdl.legal

Industries

Media & Performing Arts
FinTech & Blockchain
Real Estate & Construction
Private Client & Asset Protection
Private Equity
Global Talent Advisory
Manufacturing & Retail
Hospitality & Leisure

Practices

Corporate & Commercial Contracts
Capital Markets
Tax & Social Security
Intellectual Property
Litigation
Immigration & Citizenship
Labour & Employment
Public Law

