



*Tax incentives for  
investment in  
Portugal*

*Citizens and Companies*

This document aims to provide citizens and companies with an overview of the main investment tax incentive schemes applicable to income tax (*IRS* and *IRC*)<sup>1</sup> and on property (*IMI*, *IMT*, *Imposto do Selo*, etc.).<sup>2</sup>

For the same purpose, we summarize the tax benefits contained in the *Estatuto dos Benefícios Fiscais - EBF* and the benefits established by the *Código Fiscal do Investimento (CFI)*.

These tax benefits aim to: promote and support investment in sectors considered strategic in the economy, favouring sustainable growth, job creation, regional development; contribute to strengthening the capital structure of companies; attract citizens to Portugal who carry out high value-added activities or obtain income from intellectual, industrial or know-how property; and encourage the return of those who had to leave the country.

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<sup>1</sup> - *IRS* – *Imposto sobre o Rendimento das Pessoas Singulares*; *IRC* - *Imposto sobre o Rendimento das Pessoas Coletivas*.

<sup>2</sup> - *IMI* - *Imposto Municipal sobre Imóveis*; *IMT* - *Imposto Municipal sobre as Transmissões Onerosas de Imóveis*.

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## I) Citizens

## 1. TAX BENEFITS IN INLAND TERRITORIES AND AUTONOMOUS REGIONS, AND INCENTIVES FOR RELOCATION

It aims to benefit households that have members attending educational establishments located in the interior territory identified in [Portaria n.º 208/2017, de 13 de julho](#), or in the Autonomous Regions and also to encourage the displacement of people to the interior territories identified in the same *Portaria*.

**Legislation:** [N.ºs 11 e 12 do artigo 41.º-B do Estatuto dos Benefícios Fiscais](#); [artigos 78.º-D e 78.º-E](#), both of the *Código do IRS*; [Portaria n.º 208/2017, de 13 de julho](#).

Related information: [Folheto - Arrendamento a estudante deslocado](#) (Leaflet - Renting to displaced students)

### Who can benefit from this?

**Students** attending educational establishments located in the [interior of the country](#) or located in the Autonomous Regions.

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People who transfer their permanent residence to one of the areas located in the interior of the country.

### Tax benefits

Increase of 10 percentage points in the amount incurred with education and training expenses of students attending educational establishments located in the territory of the Interior identified in that ordinance, or in educational establishments located in the Autonomous Regions ([artigo 78.º-D do Código do IRS](#)). The overall limit is raised to 1,000 € when the difference results from these expenses ([n.º 11 do artigo 41.º-B do EBF](#)).

Increase to 1,000 € of the limit deductible from personal income tax ([artigo 78.º-E do Código do IRS](#)) of rents paid for a property for 3 years, the first of which is the year of the beginning of the lease to which the permanent residence was transferred ([n.º 12 do artigo 41.º-B do EBF](#)).



**Note:** citizens must indicate the following on the *Portal das Finanças* by 15 February:

- i) Household members attending educational establishments located in the Inland Territory or the Autonomous Regions and the total amount of their education expenses incurred;
- ii) [Invoices](#) or other document relating to rent as a result of transferring their permanent residence to an [Inland territory](#).

## 2. TAX INCENTIVES FOR COMPANY RECAPITALISATION

The benefit is intended to encourage citizens (natural persons) to make capital contributions in cash (recapitalisation) in favour of the company in which they hold a share, provided that the company is in the condition of “Loss of half of the capital”<sup>3</sup> (*artigo 35.º do Código das Sociedades Comerciais*).

**Legislation:** *Artigo 43.º-B do Estatuto dos Benefícios Fiscais; Alínea h) do n.º 2 do artigo 5.º do Código do IRS; Alínea b) do n.º 1 do artigo 10.º do Código do IRS.*

### Who can benefit from this?

Citizens who recapitalise companies through capital contributions in cash.

### Tax benefits

Deduction of up to 20% of capital contributions in cash in favour of a company in which the citizen has a share, calculated as follows:

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- Gross amount of the profits made available by that company (*alínea h) do n.º 2 do artigo 5.º do Código do IRS*) - amount up to 20% of the capital contributions]; or
- [Balance calculated between the capital gains and losses obtained from the sale of that shareholding (*alínea b) do n.º 1 do artigo 10.º do Código do IRS*) - amount up to 20% of the capital contributions].

This deduction will be made when determining taxable income for the year in which the capital contributions in cash are made and for the following five years.

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<sup>3</sup> - Half of the share capital is deemed to be lost when the company's equity is equal to or less than half of the share capital.

### 3. PROGRAMME “REGRESSAR”

The tax regime applies to former residents returning to Portugal in 2019, 2020, 2021, 2022 or 2023. Programme “Regressar” aims to support those who wish to return to Portugal, including concrete measures for a more favourable tax regime.

**Legislation:** [Artigos 12.º-A do Código do IRS; Artigo 259.º da Lei n.º 71/2018, de 31 de dezembro.](#)

**Related information:** [Ofício-circulado 20 210/2019, de 15 de abril, da Área do IR das Relações Internacionais](#) (from the Income tax Area of the International Affairs Department).

#### Who can benefit from this?

Citizens who, cumulatively, fulfil the following conditions:

- Citizens who become tax resident in Portugal in 2019, 2020, 2021, 2022 or 2023;
- Citizens who have not been considered resident in Portugal in any of the previous three years;
- Citizens who have been resident in Portugal before 31 December 2015, if returning in 2019 or 2020, and before 31 December 2017, 2018 and 2019, if returning in 2021, 2022 or 2023, respectively;
- Citizens who have their contributory and tax situation regularised.

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#### Tax benefits

For personal income tax purposes, 50% of income from dependent work and business and professional income earned by citizens who become tax residents in Portuguese territory in 2019, 2020, 2021, 2022 or 2023 is excluded from taxation, benefiting from this right in the year of return and in the following four years.



**Note:** Citizens who have applied to be registered as non-habitual residents (NHR) are not eligible for the scheme.

#### 4. REDUCTION OF THE BALANCE ON CAPITAL GAINS ON SHAREHOLDINGS

The benefit aims to encourage citizens (natural persons) to invest in micro<sup>4</sup> and small companies<sup>5</sup> (recapitalisation of companies) through the purchase of [shareholdings](#).

**Legislation:** [N.º 3 do artigo 43.º do Código do IRS; Decreto-Lei n.º 372/2007, de 6 de novembro](#).

##### Who can benefit from this?

Natural persons who acquire shareholdings outside the scope of their business and professional income-generating activities.

##### Tax benefits

Reduction by 50% of the value of the positive balance between [capital gains](#) and capital losses obtained from the sale of shares in micro and small companies not listed on the regulated or unregulated stock exchange markets.

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4 - A micro-business employs fewer than 10 people and has an annual turnover or annual balance sheet total that does not exceed 2 million €.

5 - A Small business employs fewer than 50 people and has an annual turnover or annual balance sheet total that does not exceed 10 million €.



## 5. NON-HABITUAL RESIDENTS

The tax regime for non-habitual residents (NHR) aims to attract non-resident citizens to Portugal who carry out high value-added activities or obtain income from intellectual, industrial or know-how property, as well as beneficiaries of pensions obtained abroad, and it is applicable for a period of 10 consecutive years.

**Legislation:** [Artigos 16.º, 72.º e 81.º do Código do IRS](#); [Portarias n.ºs 12/2010, de 7 de janeiro](#) e [230/2019, de 23 de julho](#).

**Related information:** Leaflet: [Non-habitual resident \(RNH\) - Tax regime and annex L of the Personal Income Tax return](#) (*Folheto: Residente não habitual (RNH) - Regime fiscal e anexo L do IRS*).

### Who can benefit from this?

Non-habitual residents who fulfil the following conditions:

- Citizens who become resident in Portuguese territory for tax purposes in the year in which they wish to start being taxed under this regime; and
- Citizens who are not considered resident in Portuguese territory in any of the previous five years; and
- Citizens who apply for registration in this regime, electronically, on the *Portal das Finanças* (up to and including 31 March of the year following the one in which they become resident in Portuguese territory).

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### Tax benefits

#### Income earned in Portugal

Taxation at the special rate of 20% of net income from dependent work (category A) and professional and business income (category B), earned from activities of high added value, with a scientific, artistic or technical character. High value-added activities are set out in [Portaria n.º 12/2010, de 7 de janeiro](#), as amended by [Portaria n.º 230/2019, de 23 de julho](#), and [Circular n.º 4/2019, de 8 de outubro](#).

#### Income earned abroad

Taxation at the rate of 10 % on net pension income paid abroad, insofar as it does not give rise to a deduction for social protection schemes when it is derived from contributions.

This taxation (in force since 1 April 2020) **does not apply**, until the ten-year period has expired, to taxpayers who on 31 March 2020 are already registered as non-habitual residents, or whose application for registration has already been submitted and is pending for analysis, as well as taxpayers who, at the date of entry into force of this law, are considered resident for tax purposes and who request their registration

as non-habitual residents by 31 March 2020 or 2021, as they meet the respective conditions in 2019 or 2020, respectively ([artigo 329.º da Lei n.º 2/2020, de 31 de março](#)).

Taxpayers may, however, opt for taxation at the rate of 10%.

Income from abroad **benefits from exemption** under the following terms:

- Income from dependent work (Category A), having to meet any of the following conditions:
  - As long as it is taxed in the other Contracting State in accordance with a convention for the avoidance of double taxation concluded between Portugal and that State;
  - As long as it is taxed in the other country, territory or region in cases where there is no convention, provided that they are not considered to be obtained in Portuguese territory, in accordance with [n.º 1 do artigo 18.º do Código do IRS](#).
  
- Category B income, earned from high value-added activities of a scientific, artistic or technical nature or from intellectual or industrial property, or from the provision of information relating to experience acquired in the industrial, commercial or scientific sector, as well as from categories E (capital), F (real estate) and G (increases in assets), when they fulfil any of the conditions below:
  - As long as they may be taxed in the other Contracting State in accordance with a convention for the avoidance of double taxation concluded by Portugal with that State;
  - As long as they may be taxed in the other country, territory or region, in accordance with the OECD Model Tax Convention on Income and Capital, provided that they are not included in the list approved in [Portaria n.º 150/2004, de 13 de fevereiro](#), in its current wording (list of countries with privileged taxation regimes) and, also, provided that the income, according to the criteria set out in [n.º 1 do artigo 18.º do Código do IRS](#), is not considered to have been obtained in Portuguese territory.

## II) Companies

## 1. CONTRACTUAL TAX BENEFITS FOR PRODUCTIVE INVESTMENT

The scheme aims to grant tax benefits, until 31 December 2027, to productive investment projects, under a contractual regime, with a validity period of up to 10 years from the conclusion of the investment project, whose relevant applications are equal to or greater than 3 000 000 €.

**Legislation:** [Artigos 2.º a 21.º e 43.º do Código Fiscal do Investimento \(CFI\); Portaria n.º 282/2014, de 30 de dezembro; Portaria n.º 94/2015, de 27 de março.](#)

### Beneficiaries

Promoters (companies) of investment as long as:

- They have technical and management capacity;
- They demonstrate a balanced financial situation with a financial autonomy ratio equal to or greater than 20%;
- They have organised accounts and their taxable profit is not determined by indirect valuation methods;
- They finance the project with their own resources or through external funding corresponding to at least 25% of the eligible costs;
- They have their tax and contributory situation regularised;
- They are not subject to a recovery order following a Commission decision declaring aid unlawful and incompatible with the internal market;
- They are not considered to be firms in difficulty.

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### Access conditions

Investment projects must have their purpose included, in particular, in the following economic activities: <sup>6</sup>

- Mining and manufacturing;
- Tourism, including activities related to tourism;
- Computer and related activities and services;
- Agricultural, aquaculture, fish farming, farming and forestry activities;
- Research and development and technology-intensive activities;
- Information technology and audiovisual and multimedia production;
- Defence, environment, energy and telecommunications;
- Activities of shared service centres.

Only initial investment projects that demonstrate technical, economic and financial viability, provide the creation or maintenance of jobs as long as:

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<sup>6</sup> - [Portaria n.º 282/2014, de 30 de dezembro](#), contains details of all Portuguese economic activities covered by the Contractual Tax Benefits for Productive Investment scheme, as well as activities excluded under EU rules.

- They are relevant to the strategic development of the national economy;
- They are relevant to the reduction of regional asymmetries;
- They contribute to boosting technological innovation and national scientific research, to improving the environment or to strengthening competitiveness and productive efficiency.

### Tax Benefits<sup>7</sup>

Tax credit, determined on the basis of the application of a percentage, between 10% and 25% of the relevant applications of the investment project actually carried out, to be deducted from the amount of the *IRC* assessment.

Exemption or reduction of *IMI* and *IMT* and exemption from *Imposto do Selo*, in relation to buildings, acts or contracts necessary and/or used within the scope of investments that constitute relevant applications.

### Relevant applications

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Expenses associated with investment projects and relating to tangible fixed assets, with the exception of:

- Land not included in projects in the extractive industry sector, intended for the exploitation of mineral concessions, table and medicinal waters, quarries, barriers and sand pits;
- Buildings and other constructions not directly linked to the production process or essential administrative activities;
- Light or mixed vehicles;
- Other transport equipment worth more than 20% of the total relevant applications;
- Furniture and articles of comfort or decoration, except hotel equipment for tourist exploitation;
- Social equipment;
- Other investment goods, which are not assigned to the operation of the company, except productive equipment intended for the use, for economic purposes, of waste resulting from the process of productive transformation or consumption in Portugal, provided that it is of recognised industrial and environmental interest;
- Used equipment and replacement investment.

Expenses associated with intangible assets, consisting of expenditure on transfer of technology, namely through the acquisition of patent rights, licences, know-how or technical knowledge not protected by patent (in the case of large companies these applications may not exceed 50% of the relevant applications).

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<sup>7</sup> - The overall amount of benefits is subject to the limits set out in the national regional aid map.

The following are also eligible, provided they were carried out less than one year before the date of application for the tax benefits:

- Advance payments related to the project, up to 50% of the cost of each acquisition;
- Expenses related to studies directly related to the investment project, accounted for as intangible assets.

## 2. TAX BENEFITS IN INLAND TERRITORIES AND AUTONOMOUS REGIONS

The aim of this scheme is to encourage companies to set up in inland areas identified in the [Portaria n.º 208/2017, de 13 de julho](#).

**Legislation:** [N.º s 1 a 6 do artigo 41.º-B do Estatuto dos Benefícios Fiscais](#); [Portaria n.º 208/2017, de 13 de julho](#).

### Beneficiaries

Companies that qualify as micro, small or medium-sized enterprises or small mid-cap companies that carry out, directly and primarily, an economic activity of an agricultural, commercial, industrial or service-providing nature in inland territories.

### Access conditions

Exercise the activity and have effective management in the beneficiary areas. Have no unpaid wages.

The company has not been demerged in the two years prior to receiving the benefits. The taxable profit is determined using direct assessment methods or under the simplified system for determining taxable income.

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### Tax benefits

IRC rate of 12.5% applicable to the first 50,000 € of taxable income. In the case of autonomous regions, the rate may be adapted under the terms provided for in [n.º 2 do artigo 59.º da Lei das Finanças das Regiões Autónomas](#)<sup>8</sup>.

When determining the taxable profit of beneficiary companies, the cost of net job creation is considered at 120 % of the respective amount, accounted for as a cost for the year.

For this purpose, jobs relating to indefinite employees earning income from dependent work who reside, for tax purposes, in inland territories are taken into account, and are excluded from the calculation of the number of jobs:

- a) Workers assigned by temporary employment agencies, as far as the user entities are concerned;
- b) Workers on occasional assignment, as far as the assigning entity is concerned;
- c) Employees working for a plurality of employers, when the employer representing the others in the employment relationship does not fulfil the conditions set out in no. 1 and 2.

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8 - Approved by [Lei Orgânica n.º 2/2013, de 2 de setembro](#).



Note:

- The tax benefit is not cumulative with other benefits of an identical nature, without prejudice to the option of a more favourable one;
- The tax benefit is subject to the applicable European rules on de minimis aid, and the amount of the benefit may not exceed the de minimis threshold.



### 3. EXTRAORDINARY TAX CREDIT FOR INVESTMENT II (CFEI II)

The 2020 Supplementary Budget established an Extraordinary Tax Credit for Investment - CFEI II - scheme for investment, with effect from 1 July of the same year.

**Legislation:** [Artigo 16.º da Lei n.º 27-A/2020, de 24 de julho.](#)

#### Beneficiaries

IRC taxpayers whose main activity consists of a commercial, industrial or agricultural nature.

#### Access conditions<sup>9</sup>

The company has organised accounting in accordance with the accounting standards and other legal provisions in force for the respective sector of activity.

Taxable profit is not determined by indirect methods. Their tax situation is regularised. They have not terminated any employment contracts for three years, counting as of the effective date of this benefit, under the terms of collective redundancy or redundancy due to the extinction of the work position.<sup>10</sup>

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#### Tax benefits

Corporate income tax deduction (IRC):

- 20% of the capital expenses on assets used for operation purposes incurred between 1 July 2020 and 30 June 2021, for a cumulative amount not exceeding 5 000 000 € per taxable person.

The deduction is made in the IRC assessment for the tax period beginning in 2020 or 2021, up to 70% of the collection of this tax, depending on the relevant dates of the eligible investments.



**Note:** In the case of taxpayers who adopt a tax period that does not coincide with the calendar year and begins after 1 July 2020, the relevant expenses for the purposes of the deduction are those incurred on eligible assets from the beginning of the said period until the end of the twelfth month thereafter.

In the special regime for taxing groups of companies, this deduction is made:

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<sup>9</sup> - Taxpayers must cumulatively fulfil all the requirements.

<sup>10</sup> - [Artigos 359.º and 367.º and following of the Código do Trabalho \(Labour Code\)](#), approved in annex to [Lei n.º 7/2009, de 12 de fevereiro.](#)

- Up to 70 % of the group's taxable base (*alínea a) do n.º 1 do artigo 90.º do Código do IRC*) and may not exceed, for each company and for each tax period, the limit of 70 % of the tax that would have been determined by the company that incurred the eligible expenses if the scheme had not been applied.



**Note:** The amount that cannot be deducted in the respective tax periods can be deducted, under the same conditions, in the following five tax periods.

### Relevant applications

Capital expenses on assets used for operating purposes relating to tangible fixed assets and non-consumable biological assets acquired in new condition<sup>11</sup>, and which enter into operation or use by the end of the tax period beginning on or after 1 January 2021.

Capital expenses relating to intangible assets subject to depreciation made in the periods referred to above <sup>12</sup>, namely:

- Expenses for development projects;
- Expenses regarding industrial property, such as patents, trademarks, licences, production processes, models or other similar rights, acquired for consideration and whose exclusive use is recognised for a limited period of time.

Eligible investment expenses are those corresponding to additions to assets in the periods referred to above and those that are not advances but are additions to ongoing investments started in those periods, except those resulting from transfers of ongoing investments.

Expenses for investment in assets that can be used for personal purposes are excluded, as follows:

- Light passenger or mixed-use vehicles, recreational boats and tourist aircrafts, except when such goods are assigned to the operation of the public service of or are intended to be rented or transferred for use or enjoyment in the course of the taxable person's regular activity;
- Furniture and comfort or decoration goods, except when they are used for productive or administrative activity;
- Those incurred in the construction, acquisition, repair and extension of any buildings, except when they are used for productive or administrative activities.

<sup>11</sup> - Land is not a newly acquired asset.

<sup>12</sup> - Between 1 July 2020 and 30 June 2021, for taxpayers with a normal tax period. After 1 July 2020, for taxpayers who adopt a tax period that does not coincide with the calendar year and starts between the beginning of the tax period and the end of the following 12th month.

Expenses incurred on assets allocated to activities under concession or public-private partnership agreements entered into with public sector entities are also excluded from this regime.

Expenses relating to intangible assets are also not considered eligible if they are acquired as a result of legal acts or transactions between the beneficiary taxable person and entities with which it has a special relationship<sup>13</sup>.

*CFEI II* cannot be combined, for the same eligible investment expenses, with any other tax benefits of the same nature provided for in other legislation.

### Ancillary obligations

These deductions must be justified by a document to be included in the tax documentation file ([artigo 130.º do Código do IRC](#)) which sets out in detail the relevant investment expenditure, its amount and other elements considered relevant.

The accounting of Corporate Income Tax taxpayers who are beneficiaries of the *CFEI II* must show the tax that is no longer paid as a result of the *IRC* deduction, by mentioning the corresponding amount in the attachment to the balance sheet and profit and loss account for the financial year in which the deduction is made.

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### Non-compliance

Without prejudice to the provisions of the *Regime Geral das Infrações Tributárias – RGIT* (General Tax Infringement Regime), failure to comply with the eligibility rules for investment expenditure will result in the refund of the amount of tax that has ceased to be paid as a result of the application of this regime, plus the corresponding compensatory interest increased by 15 percentage points.

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13 – [N.º 4 do artigo 63.º do Código do IRC](#).

#### 4. TEMPORARY TAX INCENTIVE FOR COLLECTIVE EFFICIENCY ACTIONS IN EXTERNAL PROMOTION

The aim is to encourage companies to spend money on joint participation in external promotion projects.

**Legislation:** [Artigo 400.º da Lei n.º 75.º-B/2020, de 31 de dezembro](#) (State budget for 2021); [Portaria n.º 114/2021, de 11 de março](#); [Portaria n.º 57-A/2015, de 27 de fevereiro](#).

##### Beneficiaries

IRC taxpayers resident in Portuguese territory and non-residents with a permanent establishment in that territory, who carry out a commercial, industrial or agricultural activity as their main activity, within the scope of joint participation in external promotion projects.

**Only** taxable persons who are classified as micro, small or medium-sized enterprises, according to the criteria defined in [artigo 2.º do anexo ao Decreto-Lei n.º 372/2007, de 6 de novembro](#).

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##### Access conditions

External promotion projects are eligible under the joint project scheme provided for in [alínea b\) do n.º 1 do artigo 43.º da Portaria n.º 57-A/2015, de 27 de fevereiro](#)<sup>14</sup>, adopting a regulation specific to the field of competitiveness and internationalisation.

External promotion projects carried out as part of the following activities are not eligible ([n.º 2 do artigo 4.º da Portaria n.º 57-A/2015, de 27 de fevereiro](#)): financial and insurance, defence, lotteries and other betting games.

##### Tax benefits

When determining taxable profit, 110 % of the total eligible expenses incurred in the 2021 and 2022 tax periods are taken into account.

The total incentive for relevant expenses granted to taxable persons classified as micro, small or medium-sized enterprises ([artigo 2.º do anexo ao Decreto-Lei n.º 372/2007, de 6 de novembro](#)) detailed in the following point, regarding participation in fairs and exhibitions abroad and specialised consultancy services provided by external

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<sup>14</sup> - Joint project - submitted by one or more public or private non-profit entities, of an associative nature and with specific competences aimed at SMEs, which develop a structured programme of intervention in a group of SMEs, observing the conditions set out in Attachment E.

consultants, combined with other state aid of any kind], must not exceed 50 % of the total amount of eligible expenses.

European rules on de minimis aid apply to investment expenses related to the promotion of internationalisation.

### Relevant applications

Expenses relating to participation in fairs and exhibitions abroad:

- Space rental costs, including services provided by fair organisers, namely water and electricity consumption, communications, inserts in fair catalogues and translation/interpretation services;
- Stand construction costs, including services associated with the design, construction and assembly of exhibition spaces, namely the hire of equipment and furniture, transport and handling of displays, materials and other promotional material;
- Stand operating costs, including travel and accommodation services for company representatives and other representation costs, as well as the hiring of translators/interpreters from outside the fair organisation.

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Relevant expenses are also considered to be those relating to specialised consultancy services, provided by external consultants, related to:

- Marketing campaigns in foreign markets, which include contracting services in the areas of mailing and telemarketing, advertising and specialised media;
- Technical assistance, studies, diagnostics and audits related to foreign markets;
- Expenses with the certifying entity and for carrying out tests and trials in accredited laboratories, provided they are related to external markets;
- Design and registration costs associated with the creation of new brands or collections, provided they are related to foreign markets;
- Initial costs associated with the domiciliation of applications, initial membership of electronic platforms, initial subscription of applications under software as a service schemes, creation and initial publication of new electronic content, as well as inclusion or cataloguing in directories or search engines.

Other investment expenses related to the promotion of internationalisation falling under the following actions are also eligible:

- Prospecting and attracting new clients, including importers' missions to find out about the beneficiary's offer;
- Promotional activities carried out in foreign markets, namely press relations, public relations, market consultancy and technical assistance in preparing events.

Companies active in the fisheries and aquaculture sectors<sup>15</sup> and companies active in the primary agricultural production sector<sup>16</sup> may only be covered by this incentive in accordance with the European de minimis aid rules set for the respective sectors.

### Tax obligations

Companies whose applications have been approved must properly identify the tax incentive in the *IRC declaração modelo 22* return or in other applicable tax obligations. They must also:

- a) Provide all the information requested by the competent authorities for the purposes of monitoring, controlling and supervising the promotion activity;
- b) Notify the competent authorities of any alteration or occurrence that may jeopardise the conditions for approving the benefit;
- c) Fulfil their legal obligations in a timely manner, namely their tax and contributory obligations;
- d) Maintain the legal conditions necessary to carry out the respective activity, particularly with regard to its licensing situation.

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### Applications

Applications must be submitted from 1 January until the end of February of each year or until the end of the 2nd month of the respective tax period, when this does not correspond to the calendar year, electronically, by filling in the form made available by the *Agência para o Investimento e Comércio Externo de Portugal, E. P. E. (AICEP, E.P.E.)*.

Applications are assessed by *AICEP, E. P. E.*

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15 - [Regulamento \(CE\) n.º 717/2014 da Comissão, de 27 de junho de 2014.](#)

16 - [Regulamento \(CE\) n.º 1408/2013 da Comissão, de 18 de dezembro de 2013.](#)

## 5. INVESTMENT SUPPORT TAX SCHEME (RFAI)

The Investment Support Tax Scheme includes a set of tax benefits that operate on income and property taxes.

**Legislation:** [Artigos 22.º a 26.º e 43.º do Código Fiscal do Investimento \(CFI\)](#); [Portaria n.º 282/2014, de 30 de dezembro](#); [Portaria n.º 297/2015, de 21 de setembro](#).

### Beneficiaries

Companies operating, in particular, in the following sectors<sup>17</sup>, with the exception of activities excluded from the sectoral scope of application of the OAR and the RGIC:

- Mining and manufacturing;
- Tourism, including activities related to tourism;
- Computer and related activities and services;
- Agricultural, aquaculture, fish farming, farming and forestry activities;
- Research and development and technology-intensive activities;
- Information technology and audiovisual and multimedia production;
- Defence, environment, energy and telecommunications;
- Activities of shared service centres.

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### Access conditions<sup>18</sup>

The taxable person needs to have organised accounting and the taxable profit may not be determined by indirect methods.

The assets invested must be kept in the company and in the region:

- For a minimum period of three years in the case of micro and SMEs;
- For five years in all other cases;
- If less, during the respective minimum useful life period;
- Until the period in which it is physically scrapped, dismantled, abandoned or rendered unusable.

The company's tax and social security situation must be regularised and it may not be considered in financial difficulty.

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<sup>17</sup> - [Portaria n.º 282/2014, de 30 de dezembro](#), contains details of all Portuguese economic activity codes covered by the *Benefícios Fiscais Contratuais ao Investimento Produtivo* (Contractual Tax Benefits for Productive Investment scheme), as well as activities excluded within the scope of EU rules.

<sup>18</sup> - And other cumulative observation conditions determined in [n.º 4 do artigo 22.º do CFI](#).

The company must undertake a significant investment that will create jobs and maintain them until the end of the minimum maintenance period for the assets being invested in.

### Tax Benefits<sup>19</sup>

Corporate income tax deduction of the following amounts:

- In the case of investments made in the North, Center, *Alentejo*, Autonomous Region of the *Açores* and Autonomous Region of *Madeira*:
  - [30% of the relevant applications for the investment made up to 15 000 000 €] + [10% of the relevant applications for the surplus];
- In the case of investments in the *Algarve* and Greater Lisbon and *Setúbal Peninsula* regions:
  - 10% of the relevant applications;
  - Exemption or reduction of *IMI* and *IMT* and exemption from *Imposto do Selo*, in relation to the buildings used, facts or acts within the scope of the investments that constitute relevant applications.

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This deduction may not exceed 50% of the *IRC* taxable income, except in the case of investments made in the tax period in which the business began and in the following two tax periods.

### Relevant applications

Regarding initial investments ([\*artigo 22.º do CFI\*](#) and [\*alínea d\) do n.º 2 do artigo 2.º da Portaria n.º 297/2015, de 21 de setembro\*](#)):

- Tangible fixed assets, acquired in new condition, with the exception of:
  - Land (except if it is used to exploit mining concessions, natural and spring mineral waters, quarries, clay pits and sand pits in investments in the extractive industry);
  - Construction, acquisition, repair and extension of any buildings (unless they are manufacturing facilities or are used for tourism, audiovisual production or administrative activities);
  - Light passenger or mixed vehicles;
  - Furniture and articles of comfort or decoration (except hotel equipment used for tourism);
  - Social equipment;
  - Other investment goods that are not allocated to the operation of the company.

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<sup>19</sup> - The overall amount of benefits is subject to the limits laid down in the national regional aid map.



- Intangible assets consisting of technology transfer expenses, such as patents, know-how licenses, (in the case of large companies, applications may not exceed 50% of the relevant applications).

## 6. TAX REGIME TO PROMOTE THE CAPITALISATION OF COMPANIES

**Legislation:** [Artigo 43.º-D do Estatuto dos Benefícios Fiscais](#) (Wording given by [Lei n.º 20/2023, de 17 de maio](#)).

### Beneficiaries

Commercial or civil companies in commercial form, cooperatives, public companies, and other legal persons governed by public or private law with registered offices or effective management in Portuguese territory.

### Access conditions

Taxable persons who, in the financial year in question, are principally engaged in a commercial, industrial or agricultural activity and who cumulatively meet the following conditions:

- They are not entities subject to supervision by the *Banco de Portugal* or the *Supervisão de Seguros e Fundos de Pensões*, or branches in Portugal of credit institutions, other financial institutions or insurance companies;
- They have regularly organized accounts, in accordance with accounting standards and other legal provisions in force for the respective sector of activity;
- Their taxable profit is not determined by indirect methods; and
- Their tax and social security situation is regularised.

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### Tax Benefits

Deduction from taxable profit of the 4,5% rate applied to the amount of net increases in eligible own capital.

The rate is increased by 0,5 p.p. in the case of micro, small mid-cap companies.

The deduction must not exceed, in each tax period, the higher of the following limits:

- a) 2 million €; or
- b) 30% of tax EBITDA, under the terms of [artigo 67.º do Código do IRC](#). The part that exceeds this limit is deductible in determining the taxable profit of one or more of the five subsequent tax periods.

### The following are eligible increases in equity:

- a) Contributions made in cash in connection with the incorporation of companies or an increase in the share capital of the beneficiary company;
- b) Contributions in cash made within the context of a share capital increase corresponding to the conversion of credits into capital;

- c) Share premiums;
- d) The application of accounting profits which may be distributed, in accordance with commercial legislation, to retained earnings or, directly, to reserves or to an increase in capital.

**Net increases in eligible equity are the difference, positive or negative, between:**

Increases in eligible equity and withdrawals, in cash or in kind, on behalf of the holders of the capital, by way of reduction of the same or distribution of assets, and distributions of reserves or carried-over results.

**The following increases in eligible equity are not taken into account:**

- a) Cash contributions made in connection with the incorporation of companies or an increase in the capital of the recipient company, which are financed by increases in eligible equity in the sphere of another entity;
- b) Cash contributions made in connection with the incorporation of companies or an increase in the capital of the beneficiary company by an entity with which the taxable person has a special relationship, which are financed through loans granted by the taxable person concerned or by another entity with which that entity and the taxable person have a special relationship;
- c) Contributions made in cash, within the context of the incorporation of companies or an increase in the capital of the recipient company, by an entity that is not resident for tax purposes in another Member State of the European Union or the European Economic Area or in another State or jurisdiction with which an international double taxation treaty, bilateral or multilateral agreement providing for the exchange of information for tax purposes is in force.

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Only net increases in eligible equity in tax periods beginning on or after January 1, 2023 are considered.

The amount of net increases in eligible equity must be calculated by reference to the sum of the amounts calculated in the financial year itself and in each of the nine previous tax periods, with the amount of net increases in eligible equity being considered to be zero in situations where this sum results in a negative difference.

**Transitional regime:**

The first accounting profit covered is considered to be the profit for the period of 2022, whose deliberation and corresponding application, in retained earnings or, directly, in reserves or in the equity increase, occurs in the tax period beginning on or after January 1, 2023.

Capital increases made using profits generated in the tax period beginning in 2022, which have benefited from the conventional remuneration regime for share capital

provided for in the previous *artigo 41.º-A* of this Statute, shall not be considered.

This incentive is excluded from the assessment result (*artigo 92.º do Código do IRC*).

## 7. SYSTEM OF TAX INCENTIVES FOR RESEARCH AND BUSINESS DEVELOPMENT (SIFIDE II)

SIFIDE II, in force for the 2014 to 2025 tax periods, is aimed at Research and Development activities, recognized by *Agência Nacional de Inovação*, S. A. (National Innovation Agency):

- Research expenses, those incurred by the Corporate Income Tax taxable person with a view to acquiring new scientific or technical knowledge;
- Development expenses, those incurred by the Corporate Income Tax taxable person through the exploitation of research results or other scientific or technical knowledge with a view to the discovery or substantial improvement of raw materials, products, services or manufacturing processes.

**Legislation:** [Artigos 35.º to 42.º do Código Fiscal do Investimento \(CFI\)](#).

### Beneficiaries

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Corporate Income Tax taxable persons resident in Portuguese territory who carry out, as their main activity, an agricultural, industrial, commercial or service activity and non-residents with a permanent establishment in that territory, who have research and development expenses and who are recognized as being suitable in terms of research and development by the *Agência Nacional de Inovação*, S. A.

### Access conditions

To have research and development expenses that are not reimbursed.  
Taxable profit is not determined by indirect methods.  
The tax and social security situation is regularised.

### Tax benefits

Deduction of corporate income tax ([alínea a\) do n.º 1 do artigo 90.º do Código do IRC](#)) and up to its concurrence, of the amount corresponding to research and development expenses in so far as they have not been the subject of a non-repayable financial contribution from the State, made in the tax periods beginning between January 1, 2014 and December 31, 2025, in a double percentage:

- Base rate: - 32,5% of expenditure incurred in that period;
- Incremental rate: - 50% of the increase in expenditure in that period compared to the simple arithmetic average of the two previous periods, up to a limit of 1 500 000 €.

In the case of micro, small or mid-cap enterprises that have not yet completed two financial years and which have not benefited from the incremental rate, a 15% surcharge applies to the base rate (15%+32,5%=47,5%).

### Relevant applications

Acquisitions of tangible fixed assets, with the exception of buildings and land, provided they are created or acquired in a new state and are directly used to carry out research and development activities.

Expenses incurred with staff with a minimum qualification of level 4 of the National Qualifications Framework (QNQ), directly involved in research and development tasks.

Expenses incurred with the involvement of managers and staff in the management of research and development institutions.

Operating costs, up to a maximum of 55% of the costs with staff with a minimum qualification of level 4 of the QNQ, directly involved in research and development tasks, accounted for as remuneration, wages or salaries for the financial year.

Expenses relating to the contracting of research and development activities with public entities or entities with public utility status or entities whose suitability in terms of research and development is recognised by *Agência Nacional de Inovação, S.A.*.

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Participation in the capital of research and development institutions and contributions to investment funds, public or private, which make equity and quasi-equity investments in companies primarily dedicated to research and development<sup>20</sup>, including the financing of the enhancement of its results, whose suitability is recognised by *Agência Nacional de Inovação, S. A. (n.º 1 do artigo 37.º-A do CFI)*.

Patent registration and maintenance costs.

Expenditure on the acquisition of patents that are predominantly used to carry out research and development activities (only applicable to micro, small and mid-cap companies).

Expenses for research and development audits.

Expenses incurred with demonstration actions that result from supported research and development projects and that have been previously communicated to *Agência Nacional de Inovação, S.A.*.

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<sup>20</sup> - A company dedicated mainly to research and development is considered to be one that fulfils the requirements for recognition as a company in the technology sector, as set out in [\*n.º 1 do artigo 3.º da Portaria n.º 195/2018, de 5 de julho\*](#), even if they were set up more than six years ago and regardless of whether they have obtained or applied for such recognition.

## Applications

The application for *SIFIDE II* must be submitted by the end of the 5th month of the year following the financial year, to *Agência Nacional de Inovação, S.A.*.



**Note:** For the purposes of verifying the investment made, investment fund management entities ([alínea f\) do n.º 1 do artigo 37.º do CFI](#)) send to *Agência Nacional de Inovação, S. A.*, by 30 June of each year, the latest audited annual report, as well as a document (portfolio or other) showing the investments made by the fund in the previous period in companies mainly dedicated to research and development.

## III) Citizens and companies



## 1. FOREST MANAGEMENT ENTITIES AND FOREST MANAGEMENT UNITS

**Legislation:** [Artigo 59.º-G do Estatuto dos Benefícios Fiscais.](#)

### Beneficiaries

Recognised forest management entities (EGF) and forest management units (UGF) set up and operating in accordance with national legislation and subject to approved and implemented forest management plans.

Individuals, residents or non-residents and non-resident entities without a permanent establishment in Portuguese territory, holding shares in EGFs.

### Tax Benefits

*IRC* exemption on income obtained from the management of forest resources by forest management entities (EGF) and forest management units (UGF) recognised and subject to forest management plans.

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Personal and Corporate Income Tax (*IRS* or *IRC*) withheld at source at the rate of 10% of income from shareholdings in EGFs, with exemption when obtained by non-resident individuals, entities exempt as regards capital income or non-resident entities without a permanent establishment in Portuguese territory to which the income is attributable, excluding:

- Entities that are resident in countries, territories or regions with a clearly more favourable tax regime, included in an approved list; and
- Non-resident entities that are owned, directly or indirectly, by more than 25% by other entities or individuals resident in Portugal.

Withholding tax is only waived when the beneficiaries of the income prove to the paying entity that they are exempt or that they are non-residents of Portuguese territory up until the date on which the withholding tax is due. In the event of failure to provide proof, the tax substitute is obliged to hand over the entire amount of tax that should have been deducted.

Taxation at the rate of 10 per cent of the positive balance between capital gains and capital losses resulting from the sale of shareholdings in EGF, when the holders are non-resident natural persons or non-resident entities to which the exemption provided for in *artigo 27.º* does not apply or *IRS* taxpayers resident in Portuguese territory who obtain the income outside the scope of a commercial, industrial or agricultural activity and do not opt for the respective aggregation.

*Imposto do Selo* exemption on onerous acquisitions of the right of ownership or of parts of that right relating to rustic properties intended for forestry exploitation

by recognised EGFs and covered by forestry management plans, as well as the allocation of these properties by associates to EGF management, provided that this is done within six months of their association with the EGF.



**Note:** The exemption is granted by the director of finance of the district where the rustic property is located and intended for forestry exploitation, upon application by the interested parties proving the respective requirements, within 30 days.

The exemption becomes null and void if the rustic buildings used for forestry are transferred in any way in the following two years, i.e. the recognition as an EGF is revoked.

Exemption from *Imposto do Selo* on credit operations granted to them and used by them, as well as on interest arising from such operations, when this tax constitutes their charge.

Rents received by citizens subject to *IRS* are considered at 50% when they arise from leases to recognised EGFs, without prejudice to the option of aggregation. The benefit lasts for 12 years from the year the contract was signed and applies to leases made until 31 December 2020.

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Income obtained by citizens subject to *IRS*, whether resident or non-resident, even if obtained in the context of commercial, industrial, agricultural, forestry or livestock activities, relating to the balance calculated between:

[capital gains and losses on the sale to EGF of rustic buildings intended for forestry] are considered at 50 % of their value, without prejudice to the provisions of *n.º 2 do artigo 43.º do Código do IRS*. The benefit applies to transmissions made until 31 December 2020.

In the case of payments in kind - rural properties intended for forestry exploitation - in the capital of EGFs made by citizens, residents or non-residents, no income is calculated from this transfer of buildings, and the acquisition value of these buildings is considered for tax purposes. The benefit applies to transfers made by 31 December 2020.

## 2. TAX INCENTIVE FOR WAGE INCREASE

**Legislation:** [Artigo 19.º-B do Estatuto dos Benefícios Fiscais.](#)

### Beneficiaries

*IRS* taxpayers with organised accounting and *IRC* taxpayers.

### Access conditions

Costs of wage increases for workers with an indefinite employment contract, established by a dynamic collective labour regulation instrument.

Only the following costs are taken into account:

- a) Costs relating to workers whose remuneration has increased by at least 5,1% between the last day of the tax period of the financial year in question and the last day of the tax period of the previous financial year;
- b) Costs above the guaranteed minimum monthly wage applicable on the last day of the tax period for the financial year in question.

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The following are not considered:

- Employees who are part of the employer's household;
- Members of the corporate bodies of the *IRC* taxpayer;
- Employees who directly or indirectly hold a stake of no less than 50 % of the share capital or voting rights of the *IRC* taxpayer.

Taxpayers for whom there has been an increase in the salary range of their employees compared to the previous financial year are excluded.

### Tax benefits

In determining the taxable profit of *IRS* taxpayers with organised accounting and *IRC* taxpayers, the costs corresponding to the increase determined by a dynamic collective labour regulation instrument for workers with an employment contract for an indefinite period are considered at 150 % of the respective amount, accounted for as a cost for the financial year.

The following are considered:

- **Costs** - the amounts paid by the employer to the employee, by way of fixed remuneration and social security contributions borne by the same organisation;
- **Dynamic collective labour regulation instrument** - the granting or renewal of a collective labour regulation instrument concluded less than three years previously;

- **Salary range** - the difference between the annual amounts of the employees' highest and lowest fixed remuneration, calculated on the last day of the tax period for the financial year in question.



**Note:** The maximum amount of increaseable costs per worker is four times the guaranteed minimum monthly wage.

### 3. INCENTIVES FOR URBAN REGENERATION AND AFFORDABLE RENTAL HOUSING

#### A) INCENTIVES FOR URBAN REGENERATION

**Legislation:** [N.ºs 1, 2 e 3 do artigo 71.º do Estatuto dos Benefícios Fiscais.](#)

##### Beneficiaries

Citizens and companies earning income from property investment funds subject to rehabilitation actions in urban rehabilitation areas.

##### Tax Benefits

*IRC* exemption for income of any kind obtained by real estate investment funds operating in accordance with national legislation, provided they were set up between 1 January 2008 and 31 December 2013 and at least 75% of their assets are real estate subject to rehabilitation actions carried out in urban rehabilitation areas.

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*IRS* or *IRC* withholding, at the rate of 10%, on income relating to units in the aforementioned investment funds, paid or placed at the disposal of the respective holders, whether by distribution or redemption, except when the holders of the income are entities exempt as regards capital income or non-resident entities without a permanent establishment in Portuguese territory to which the income is imputable, excluding:

- a) Entities that are resident in a country, territory or region subject to a clearly more favourable tax regime, included in a list approved by order of the Minister of Finance;
- b) Non-resident entities owned, directly or indirectly, more than 25% by resident entities.



**Note:** Withholding tax is only waived when the beneficiaries of the income prove to the paying entity that they are exempt or that they are non-residents in Portugal, up until the date on which the tax must be withheld.

Taxation at a rate of 10 % of the positive balance between capital gains and capital losses resulting from the sale of investment units in the aforementioned investment funds when the holders are non-resident entities to which the exemption provided for in [artigo 27.º do Estatuto dos Benefícios Fiscais](#) does not apply or *IRS* taxable persons resident in Portuguese territory who obtain their income outside the scope of a commercial, industrial or agricultural activity and do not opt for its aggregation.

#### B) INCENTIVES FOR AFFORDABLE RENTAL HOUSING

**Legislation:** [N.ºs 27 a 30 do artigo 71.º do Estatuto dos Benefícios Fiscais.](#)

## Beneficiaries

Citizens and companies that obtain property income within the framework of municipal programmes offering affordable rental housing and student accommodation.

## Tax benefits

Exemption from personal income tax and corporate income tax - for the duration of the respective lease contracts, property income obtained within the scope of municipal **programmes offering affordable housing and student accommodation**, with exempt income being included in the personal income tax for the purposes of determining the rate to be applied to other income, when the taxable person chooses to include property income in the taxable income.

**“Municipal offer programmes for affordable rental housing”** are considered to be municipal initiative programmes that have as their object residential lease and sublease agreements for a minimum lease term of no less than five years and whose general rent price limit by typology does not exceed that defined in [tabelas 1 e 2 do anexo I à Portaria n.º 176/2019, de 6 de junho](#).

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**“Municipal student housing programmes”** are considered to be municipal initiative programmes for lease and sublease agreements aimed at displaced students and whose general rent price limit per typology does not exceed that defined by [alínea a\) do n.º 1 do artigo 10.º do Decreto-Lei n.º 68/2019, de 22 de maio](#).



**Note:** The exemption depends on recognition by the member of the government responsible for the finance area.

#### 4. TAX INCENTIVES FOR FORESTRY ACTIVITIES

It aims to grant tax incentives to *IRS* and *IRC* taxpayers who carry out woodland or forestry activities.

**Legislation:** [Artigo 59.º-D do Estatuto dos Benefícios Fiscais](#); [Decreto-Lei n.º 127/2005, de 5 de agosto](#); [Decreto-Lei n.º 16/2009, de 14 de janeiro](#).

##### Beneficiaries

*IRS* taxpayers with organised accounting and *IRC* taxpayers who directly carry out an economic activity of a woodland or forestry nature.

*IRS* or *IRC* taxpayers covered by the rules of the simplified regime.

##### Access conditions

For the benefits provided for in [n.ºs 12, 13 e 14 do artigo 59.º-D do Estatuto dos Benefícios Fiscais](#), *IRS* and *IRC* taxpayers who, cumulatively, meet the following conditions:

- The taxable profit is not determined by indirect methods;
- The respective woodland or forestry production is subject to a forest management plan ([Decreto-Lei n.º 16/2009, de 14 de janeiro](#)).

##### Tax benefits


When determining the *IRS* rate to be applied to category B income resulting from multi-annual forestry holdings, the respective amount is divided:

- a) By 12, for income determined on the basis of the application of the rules of the simplified regime, including the isolated act;
- b) By the sum of the number of years or fraction thereof to which the expenses imputed to the respective taxable profit relate ([n.º 7 do artigo 18.º do Código do IRC](#)), for income determined on the basis of accounting, including the isolated act.

When determining the taxable profit of *IRS* taxpayers with organised accounting and *IRC* taxpayers who directly carry out an economic activity of woodland or forestry nature, the following is considered:

- By 140 % the financial contributions of forest owners and producers who adhere to a Forest Intervention Zone (ZIF) to the common fund set up by the respective management entity, as well as the costs incurred with forest fire defence operations, the preparation of forest management plans, forest certification costs and forest mitigation or adaptation to climate change, accounted for as an expense for the financial year;

- The increase cannot exceed the equivalent of 8/1000 of turnover for the financial year in which the contributions are made.




**Note:** *IRS* or *IRC* taxpayers covered by the simplified regime are also entitled to a deduction from their taxable income or taxable base, respectively, obtained after applying the respective coefficients and until they are equalised, of an amount equivalent to that increase.

Exemption from *IMT* and *Imposto do Selo - Verba 1.1 da tabela geral* (Item 1.1 of the general table) - on the acquisition of buildings or part of rustic buildings that correspond to forest areas covered by a forest intervention zone (ZIF), under the terms of [Decreto-Lei n.º 127/2005, de 5 de agosto](#), or buildings contiguous to them, on the condition that the latter are covered by a ZIF within a period of three years from the date of acquisition.


Exemption from *IMT* and *Imposto do Selo - Verba 1.1 da tabela geral* (Item 1.1 of the general table) - on purchases of buildings or parts of rustic buildings intended for forestry that adjoin rustic buildings subject to a forestry management plan, under the terms of [Decreto-Lei n.º 16/2009, de 14 de janeiro](#), provided that the purchaser is the owner of the adjoining rustic building.

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**Note:** The aforementioned exemptions are recognised by the head of the tax office where the property is located, upon application submitted by the owners, accompanied by proof that the property is included in the ZIF or that the property is contiguous to a building covered by a ZIF, or proof that the forest management plan has been approved and that the property is contiguous. In any case, the application must be submitted before the act or contract that gave rise to the transmission.

Exemption from *IMI* on rustic properties corresponding to forest areas belonging to ZIFs and rustic properties intended for forest exploitation subject to a forest management plan.



**Note:** The exemption is recognised by the head of the tax office where the building is located, in an application submitted by the owners to the tax office in the area of the building, within 60 days of the verification of the event that determines the exemption. The exemption ends when the building is no longer covered by a ZIF or when the forest management plan expires.



## 5. EXTRAORDINARY SUPPORT SCHEME FOR COSTS INCURRED WITH ELECTRICITY AND GAS

**Legislation:** [Artigo 231.º da Lei n.º 24-D/2022, de 30 de dezembro – OE 2023](#) (State Budget 2023).

### Beneficiaries

Personal income tax payers with organised accounting (category B), resident corporate income tax payers whose main activity is commercial, industrial or agricultural, and non-resident corporate income tax payers with a permanent establishment.

Taxpayers who carry out economic activities that generate at least 50% of turnover in the area of:

- a) Production, transport, distribution and trade of electricity or gas; or
- b) Manufacture of refined or waste petroleum products and fuel agglomerates.

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### Access conditions

In the case of taxable persons who start their activity during the tax period beginning on or after 1 January 2021, the expenses and losses incurred to be considered for the purposes of these benefits must be proportional to the taxable person's period of activity in that year.

### Benefits

When determining taxable profit, eligible costs and losses incurred or borne in relation to electricity and natural gas consumption may be increased by 20% insofar as they exceed those of the previous tax period, deducted from any support received under the terms of [Decreto-Lei n.º 30-B/2022, de 18 de abril](#).

The increase applies to the tax period beginning on or after 1 January 2022.



**Note:** The tax benefit cannot be combined with other support or incentives of any kind for the same eligible costs and losses.

## 6. EXTRAORDINARY SUPPORT REGIME FOR COSTS INCURRED IN AGRICULTURAL PRODUCTION

**Legislation:** [Artigo 232.º da Lei n.º 24-D/2023, de 30 de dezembro – OE 2023](#) (State Budget 2023).

### Beneficiaries

Personal income tax payers with organised accounting (category B), resident corporate income tax payers whose main activity is commercial, industrial or agricultural, and non-resident corporate income tax payers with a permanent establishment.

### Benefits

When determining the taxable profit for tax periods beginning in 2022 and 2023, the costs and losses incurred or borne by the taxable person relating to the acquisition of the following goods, when used in the context of agricultural production activities, may be increased by 40%:

- a) Organic and mineral fertilisers and correctives;
- b) Flours, cereals and seeds, including mixtures, residues and waste from the food industries, and any other products suitable for feeding livestock, poultry and other animals, as referred to in Codex Alimentarius, regardless of breed and functionality in life, intended for human consumption;
- c) Water for irrigation;
- d) Glass bottles.

The increase applies to the tax period beginning on or after 1 January 2022.



**Note:** The tax benefit is subject to de minimis aid rules.



### OTHER INFORMATION

Read more at [Portal das Finanças](http://www.portaldasfinancas.gov.pt): ([www.portaldasfinancas.gov.pt](http://www.portaldasfinancas.gov.pt)):

- The Tax Agenda (*Agenda Fiscal*);
- Leaflets (*Folhetos Informativos*);
- Frequently Asked Questions (*Questões Frequentes – FAQ*);
- The webpage [Tax System in Portugal](#).

### CONTACT

- The electronic customer service [e-balcão](#), at *Portal das Finanças*;
- Tax and Customs Call Centre ([Centro de Atendimento Telefónico – CAT](#)), through the telephone number (+351) 217 206 707, every working day from 9:00 a.m. to 7:00 p.m.;
- [Serviço de Finanças](#) (a local tax office) (you can schedule an attendance by appointment /[atendimento por marcação](#)).

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This leaflet does not replace the consultation of the legislation in force.