



The Supplementary Budget enacted by Law 10/2009 reinforces the measures against the economic crisis with the approval of new tax incentives to support investments made in 2009.

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First Amendment to the national budget for 2009

Law 10/2009, of March 10, amended the national budget for 2009 and created the budget program "Initiative for Investment and Employment" (*Iniciativa para o Investimento e o Emprego*), which approved the Tax Framework for Investment Support in 2009 (*Regime Fiscal de Apoio ao Investimento realizado em 2009*, the "RFAI 2009").

The program has five main purposes: (i) modernisation of schools, (ii) promotion of renewable energy sources, energetic efficiency and energy transport networks, (iii) modernisation of the technological infrastructure, (iv) special support to the economic activity, exports and small and medium sized companies and (v) support to employment and social protection.

The RFAI 2009 applies to taxable persons who are active (i) in the agriculture, forest, agro-industrial, power and tourism sectors and in the extraction or manufacturing industries, except for the steel, shipbuilding and synthetic fibers sectors and (ii) in the new generation broadband networks.

The RFAI 2009 sets out a combined system of tax incentives in order to stimulate the productive investment, including the following measures:

- (a) Deduction to the corporate income tax payable (up to 25%) of (i) 20% of the relevant investment, for investments up to €5,000,000 and (ii) 10% of the relevant investment, for investments up to €5,000,000;
- (b) Exemption from real estate municipal tax (*Imposto Municipal sobre Imóveis*) for a period up to five years for buildings owned which are deemed relevant investment; and
- (c) Exemption from the municipal real estate transfer tax (*Imposto Municipal sobre Transmissões Onerosas de Bens Imóveis*) and stamp duty (*Imposto de Selo*) for real estate acquisitions which are deemed relevant investments.

In addition, Law 10/2009 approved the reduction of the minimum limit for advance tax payments (*pagamento especial por conta*) for the account of IRC, from €1,250 to €1,000, and reduced the minimum limit of tax credit above which the reimbursement of VAT may be requested to €3,000.

The Statute of Tax Benefits was also amended. In this regard, it is important to mention (i) the extension of the SGPS special tax regime to companies whose corporate purpose is to manage shares incorporated in other Member States and (ii) the increase of tax benefits for the acquisition of computers for personal use and equipment related to new generation broadband network.

Finally, several changes were introduced in the System of Tax Incentives for Corporate Research and Development (*Sistema de Incentivos Fiscais em Investigação e Desenvolvimento Empresarial*, the "SIFIDE"), including the increase of the percentage of deductible costs with R&D that are deductible to 32.5%, as well as the increase of the maximum limit of the incremental rate from €750,000 to €1,500,000.

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