

ECONOMY ACCELERATION PROGRAMME

The Portuguese Government has announced a set of economic and tax measures as part of its "Economy Acceleration Programme", with a special focus on companies. The measures will now have to be discussed and approved in the Parliament.

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The [Economy Acceleration Programme](#), approved by the Portuguese Government, contemplates 60 economic and tax measures aiming to promote the growth of Portuguese companies, develop new financing mechanisms and foster entrepreneurship. Among these measures, we highlight the following tax measures:

- Gradual reduction of the general corporate income tax rate by 2% per year until it reaches 15% (currently 21%) and gradual reduction of the special SMEs rate applicable to the first €50,000 of net profit from 17% to 12.5%;
- Minimum corporate income taxation of 15% applicable to multinational groups and large national groups – implementation of Directive 2022/2523;
- Creation of a VAT group framework, which will allow the netting of VAT to be delivered to the State and to be reimbursed by the State;
- Increased eligibility of the cash VAT framework, allowing access to companies that have not reached a turnover of more than €2 million in the previous year (currently €0.5 million);
- Extension of the access to the "participation exemption", reducing the minimum holding requirement to 5% (currently 10%);
- Extension of the stamp duty exemption applicable to cash pooling transactions;
- Increase of the deductibility of financing expenses incurred in merger operations, with the increase of the threshold from €1 million to €2 million;
- Tax deduction of capital gains and dividends on assessment of personal income tax up to 20% of capital contributions in all capitalisations of companies;
- Creation of a current account between the Tax Authority and the companies that will later be extended to the public administration;
- Expansion of the list of qualified professions to which the personal income tax rate of 20% will be applied on income from categories A and B (dependent and self-employment work);
- Revision of the Tax Incentive System for Business R&D (the so-called "SIFIDE");
- Revision of the tax deductibility rules applicable to goodwill assets, extending the list of assets and operations covered by the deduction.

The majority of the announced measures will have to be discussed and approved in the Parliament. Given the current political configuration of the Parliament, it is possible that some of the measures will be subject to changes. A summary of the measures is available (in Portuguese) [here](#).

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