

# NEW TAX MEASURES IN PORTUGAL

The Government and the Parliament have approved several acts which introduce amendments to PIT, Property Transfer Tax, Stamp Duty, VAT and other taxes.

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Following the presentation of the Economy Acceleration Program, the [New Strategy for Housing](#) and other initiatives from the Government and other parties, several acts on tax matters have been published. In this newsletter we summarize the main changes.

## PERSONAL INCOME TAX (PIT)

- Reduction of the general PIT rates applicable to the first 6 income brackets between 0.25% and 1% ([Law 33/2024](#)).
- Automatic updating of the PIT brackets according to the rate of change in the gross domestic product deflator and the rate of change in GDP per employee ([Law 34/2024](#)).
- Updating the value of the specific deductions in income categories A (income from dependent employment) and H (pensions) in line with the increase of the Social Support Index ("IAS"), from €4.0104 to €4.350,24 ([Law 32/2024](#)).
- Increase in the PIT deduction of from housing rents effective 1st January 2025 from €600 to €800 ([Law 36/2024](#)).

## PROPERTY TRANSFER TAX (PTT) AND STAMP DUTY

- Exemption from PPT and Stamp Duty on the purchase of housing by young people up to and including the age of 35 ([Decree-Law 48-A/2024](#)), which will be applied when the following conditions are met:
  - The property is intended for own and permanent habitation;
  - The price or tax value, if higher, is equal to or less than € 316,771; and
  - In the year of acquisition, the buyer is not considered dependent for PIT purposes;

## VAT

- Increase of the electricity consumption limit to which the reduced VAT rate applies from 100 kWh (or 150 kWh, in the case of large families) to 200 kWh (or 300 kWh, in the case of large families), with effect from 1st January 2025 ([Law 38/2024](#)).

## OTHER TAXES

- Parliament authorisation for the Government to repeal the extraordinary contribution on real estate allocated to short-term rental, with retroactive effects from 31st December 2023 ([Law 35/2024](#)).

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