

GOVERNMENT APPROVES TAX SIMPLIFICATION AGENDA

The Portuguese Government approved the Tax Simplification Agenda, featuring a series of reforms designed to simplify and enhance the efficiency of the tax system and its procedures.

These measures include, among others, the simplification of VAT refund procedures and the waiver of the VAT exemption on real estate transactions.

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The Tax Simplification Agenda (**Agenda**) approved by the Portuguese Government introduces 30 measures that will simplify taxpayers' reporting and payment obligations

In this newsletter we review the main measures.

PERSONAL INCOME TAX

Regarding Personal Income Tax (PIT), we highlight the following changes:

- Deadlines for ancillary and reporting obligations (e.g. disclosure of the taxpayer's household members and invoices) are now aligned to the end of February; and
- Form 13 (covers income from securities, autonomous warrants, derivative financial instruments), Form 39 (focuses on income and withholding tax reporting) and annex G to Form 3 (addresses capital gains and other asset increases) will be simplified.

CORPORATE INCOME TAX

Concerning Corporate Income Tax (CIT), the Agenda includes the following measures:

- Annex Q will no longer be included in the Annual Simplified Company Information (IES), meaning, the annual Stamp Duty statement will be discontinued, with the monthly statement now deemed sufficient;
- Tax losses from previous years will automatically be filled in the annual tax returns (Form 22);
- The responsibility for identification of shareholders will no longer fall on taxpayers. Instead, this process will be conducted automatically and at no cost by the Portuguese Institute of Registries and Notaries;
- The invoicing rules will be simplified, particularly regarding the requirements for issuing electronic invoices.

VALUE ADDED TAX

Pertaining to Value Added Tax (VAT), the following changes stand out:

- For VAT refunds exceeding €30,000, taxpayers will have the option to request an immediate reimbursement; for this purpose, they must provide a bond, which will be released following the inspection or the validation of the submitted statement by the Tax Authorities;

- The Tax Authorities will automatically process the VAT returns for individuals with no taxable transactions, therefore preventing tax assessments and administrative fines for the non-submission of such returns;
- The requirements for waiving the VAT exemption on real estate transactions will be simplified, and the prior issuance of a certificate for this purpose will no longer be necessary;
- The request to pay VAT in instalments may be submitted prior to the deadline for filing the VAT returns;
- VAT taxpayers who do not maintain organized accounting will no longer be required to keep physical record books. Instead, it will be sufficient to classify invoices directly in the Tax Authorities' website;
- The obligation for exporters to submit an electronic customs export statement in order to obtain the document certifying the departure of goods with VAT exemption and an amount under €1,000, will be eliminated.

VEHICLES CIRCULATION TAX

Finally, in reference to the Vehicles Circulation Tax (IUC), the Agenda contemplates the following measures:

- The IUC payment will become due annually for all vehicles, on a single date;
- For IUC amounts exceeding €100, payment can be made in two instalments.

These changes will now require implementation through legislative acts and administrative measures issued by the Tax Authorities.

The document approved by the Government is available [here](#).

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