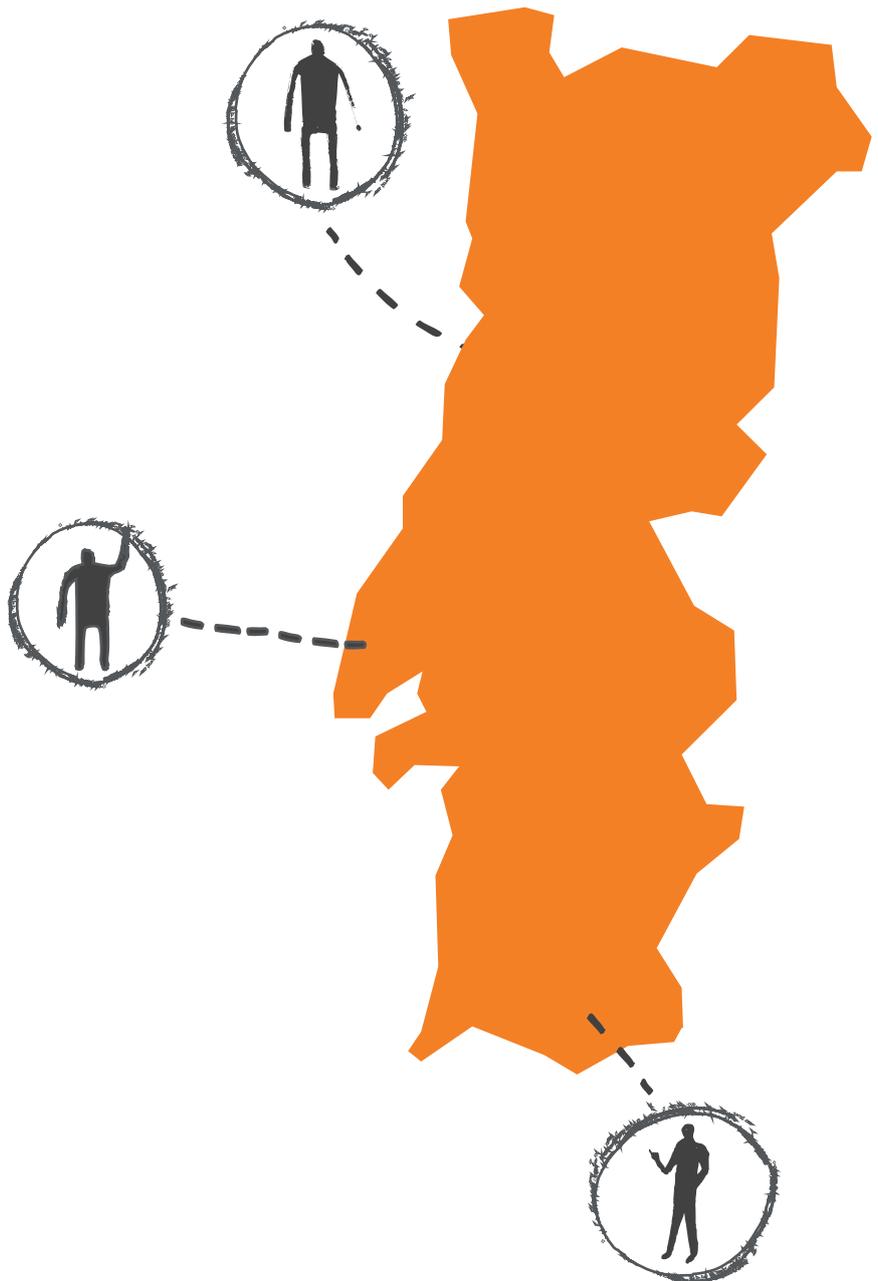


Personal Income Tax in Portugal

Non-regular Tax Regime
for non-regular residents

Category B (self-employment)



Who may apply for a non-regular resident status?

The non-regular resident tax regime is available for citizens who meet the following conditions:

- Deemed resident on Portuguese territory for tax purposes, according to any of the criteria defined on the Portuguese tax law, in the year to be taxed as a non-regular resident;
- Has not been deemed resident on Portuguese territory during the five years prior to the year pretended to be taxed as a non-regular resident.

When should the citizen apply for the non-regular resident status?

A registration as resident on Portuguese national territory should be made at a local Tax office or *Loja do Cidadão*, before being deemed non-regular resident.

The application for a registration as non-regular resident should be submitted at the moment of the registration as a resident on Portuguese territory or later until March 31st, of the year following the year in which one became resident on Portuguese territory.

How can a citizen register as a non-regular resident?

Request the registration by submitting an application. This application should be submitted with the statement mentioned hereafter and any accompanying documents to any Tax Office, any *Loja do Cidadão*, or sent by normal mail.

What statement should a citizen submit when applying for a registration as non-regular resident?

When applying for a registration as a non-regular resident, a statement must be submitted proofing the non-fulfilment of the criteria necessary for being considered a resident on Portuguese territory during the five years before the date on which the taxation as non-regular habitual resident should start.

What rights are granted to the non-regular resident?

A citizen deemed non-regular resident has the right to be taxed according to the non-regular resident tax scheme during a period of 10 consecutive years, from the year of the registration as a resident on Portuguese territory, as long as continues to be deemed resident in each of the 10 years.

This period of 10 years is not extendable.

Please note that the right to be taxed according to the non-regular resident tax regime in each year of the above mentioned period depends on the fulfillment of the condition of being deemed resident on Portuguese territory.

Whenever the citizen has not benefited from right to be taxed according to the tax regime defined for non-regular residents in one or more years of that 10 years period, still may benefit again from that same right in any of the remaining years of that period, provided the citizen still has a resident status for income tax purposes.

What activities are considered of high added value, of scientific, artistic or technical nature, for the purposes of application of the non-regular resident regime?

1 - Architects, engineers and similar:

- 101- Architects
- 102- Engineers
- 103- Geologists

2 - Visual artists, actors and musicians:

- 201- Theater, ballet, cinema, radio and television artists
- 202- Singers
- 203- Sculptors
- 204- Musicians
- 205- Painters

3 - Auditors:

- 301- Auditors
- 302 – Tax Consultants

4 - Doctors and dentists:

- 401- Dentists
- 402- Medical Analysts
- 403- Clinical Surgeons
- 404- Ship's doctor
- 405- General Practitioners
- 406- Dentists
- 407- Clinical dentists
- 408- Medical physiatrists
- 409- Gastroenterologists
- 410- Ophthalmologists
- 411 – Orthopedic Surgeon
- 412- ENT(Ear Nose and Throat) specialists
- 413- Pediatricians
- 414- Radiologists
- 415- Doctors from other specialties

5 - Teachers:

- 501- Professors

6 - Psychologists:

- 601- Psychologists

7 - Liberal Professionals, technicians and alike:

- 701- Archaeologists
- 702- Biologists and life sciences experts
- 703- Computer Programmers
- 704- Software consultant and activities related to information technology and computing

- 705 – Computer programming activities
- 706- Computer consultancy activities
- 707- Management and operation of computer equipment
- 708 – Data services
- 709- Data processing, hosting and related activities; Web portals
- 710- Data processing, hosting and related activities
- 711- Other data service activities
- 712 – News agencies
- 713- Other information service activities
- 714- Scientific research and development
- 715- Research and experimental development on natural sciences and engineering
- 716- Research and development in biotechnology
- 717- Designers

8 - Investors, Managers and Directors:

- 801- Investors, Directors and managers of companies that promote productive investment, as long as they are connected to projects and concession contracts that are eligible for tax benefits per the Investment Tax Code (Código Fiscal)
- 802- Upper Management

What withholding tax rate is to apply by category B income?

Category B income, resulting from activities of high added value, of scientific, artistic or technical nature, listed in the mentioned ordinance, shall be subject to a withholding tax of **20%**.

Taxation of Income obtained by non-regular residents

PORTUGUESE SOURCE INCOME

Net income of category B (self-employment) obtained from the high added value activities, of scientific, artistic or technical nature mentioned above, by non-regular residents on Portuguese territory are taxed at the special rate of 20%, in case the aggregation option is not exercised.

In case this aggregation option is exercised, it is mandatory to include the total income of the same category.

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