

TAX & LEGAL - PAYMENT IN
INSTALMENTS OF BOTH PERSONAL
AND/OR CORPORATE INCOME TAX

COVID 19

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INCOME TAX**

On September 14th, the Office of the Secretary of State for Tax Affairs issued an Official Order nr. 8844-B/2020, that requires the Tax Administration to allow of its own motion taxpayers to settle any Personal Income Tax (IRS) and/or Corporate Income Tax (IRC) debt of up to € 5.000,00 and € 10.000,00, respectively, in instalments without having to provide a guarantee pursuant to Decree-Law 492/88, of 30 December 1988, regardless of whether an application is filed.

A. Access Conditions

In order to take advantage of this regime, the taxpayer must cumulatively fulfill the following conditions:

- Not be a tax debtor to the Portuguese Tax Authority;
- The tax debt (IRS / IRC) must be in the voluntary collection phase;
- Maturing up to December 31st 2020.

B. The Installment Plan

It is incumbent upon the Tax Authority, by notifying the taxpayer, 15 days after the end of the period for the voluntary payment of the tax debt. The plan will vary between 2 to 12 instalments depending on total debt value.

The first installment must be paid by the end of the month following the creation of the installment plan. The rest, until the end of the corresponding month.

The document for payment of each installment must be extracted from the Finance Portal.

Non-compliance with the installment plan will imply the immediate maturity of all the missing installments and their coercive collection in the tax enforcement process.

Any subject not regulated in the above-mentioned Order the provisions of article 34-A of Decree-Law no. 492/88, of 30 September, apply, with the necessary adaptations.

C. Legal Framework

This regime was designed considering the importance of regularizing the tax situation, namely in the context of obtaining various incentives, which, in the present context of the Sars-Cov-2 Pandemic, may be essential to the livelihood of families and companies.

It is also regarded as a necessary support for the promotion of voluntary compliance and improvement of the relationship between taxpayers and the Tax and Customs Authority (AT), that in some cases was unowned by the common citizen.

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