

Portugal establishes new tax measures to assist micro, small and medium-sized Companies

With the purpose of assisting micro, small and medium sized Companies, which were particularly affected by Covid-19 Pandemic, providing them as much liquidity as possible, the Portuguese State implemented new tax measures, foreseen on Law no. 29/2020.

These measures entered into force on August 1st, 2020 and will be in force until the term of the year on which Covid-19's exceptional measures are officially declared ceased.

We highlight the most relevant measures to Portuguese Companies.

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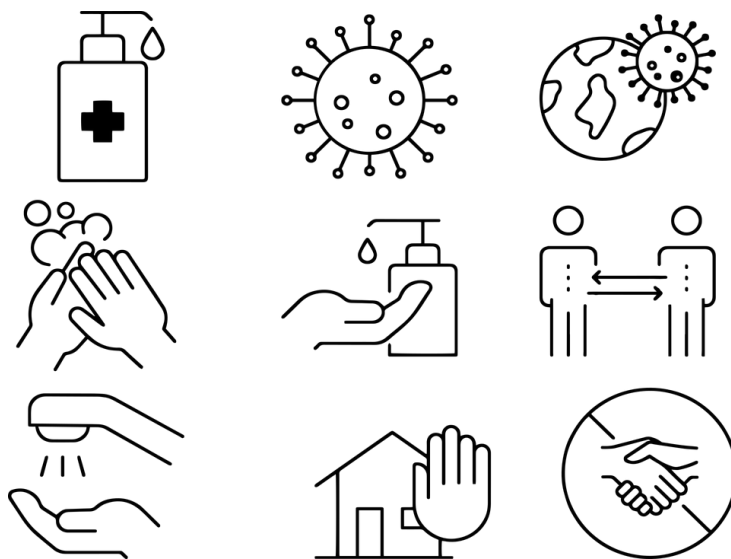
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The new Law foresees the following legal mechanisms:

- Temporary suspension of the Payment on Account, regarding Corporate Income Tax (CIT)
- Possibility of reimbursement of part of the Special Payment on Account (PEC) that was not deducted, before the end of the term established on Article 93rd, number 3, of Corporate Income Tax Code, from the next tax period
- Reduction of the maximum term to reimburse VAT, CIT and Personal Income Tax (PIT), when the result of the tax withheld tax or payments on account is superior to the due tax
- Waiver of Payments on Account of Corporate Income Tax
- Possibility to request, during 2020, the total reimbursement of part of the Special Payment on Account that was not deducted until 2019, with waiver of the deemed normal period compliance of the term foreseen on Article 93, number 3, of the Corporate Income Tax Code
- When the amount of withheld tax, payments on account or VAT paid are superior to the effectively tax due, the reimbursement will be performed 15 days after the submission of VAT, CIT or PIT's returns

MC&A may assist their Clients performing a case-by-case analysis in order to identify the most efficient alternatives to be followed or implemented or verifying if all the requirements and conditions to apply to the mentioned incentives are met.



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