

Portugal

Table PT.1: Tax Revenue

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Ranking 2019	Revenue 2019 (billion euros)
A. Structure by type of tax															
as % of GDP															
Indirect taxes	14.5	14.1	12.6	13.3	13.9	13.9	13.8	14.3	14.7	14.9	15.0	15.3	15.2	8	32.4
VAT	8.2	8.1	6.8	7.5	8.1	8.3	8.0	8.5	8.6	8.5	8.6	8.7	8.8	9	18.8
Taxes and duties on imports excluding VAT	0.4	0.3	0.3	0.7	0.7	0.7	0.6	0.6	0.7	0.6	0.5	0.7	0.7	8	1.4
Taxes on products, except VAT and import duties	5.0	4.7	4.6	4.1	4.0	3.8	3.8	3.8	3.9	4.3	4.5	4.3	4.2	12	9.0
Other taxes on production	0.9	1.0	1.0	0.9	1.1	1.1	1.4	1.5	1.5	1.6	1.4	1.6	1.5	13	3.2
Direct taxes	9.2	9.3	8.6	8.5	9.4	9.1	11.3	10.9	10.7	10.1	9.9	10.1	9.8	15	20.9
Personal income taxes	5.3	5.4	5.5	5.4	6.0	5.8	7.7	7.7	7.3	6.8	6.4	6.5	6.4	16	13.6
Corporate income taxes	3.5	3.5	2.8	2.7	3.1	2.8	3.3	2.8	3.1	3.0	3.2	3.3	3.1	7	6.7
Other	0.4	0.4	0.4	0.3	0.3	0.5	0.4	0.3	0.3	0.3	0.3	0.3	0.3	24	0.6
Social contributions	8.2	8.4	8.6	8.6	8.9	8.7	8.9	9.0	9.0	9.1	9.2	9.3	9.6	21	20.5
Employers'	4.5	4.6	4.7	4.9	5.1	5.0	5.1	5.1	5.1	5.2	5.3	5.6	5.8	14	12.4
Households'	3.6	3.8	3.8	3.7	3.8	3.7	3.8	3.9	3.9	3.9	3.9	3.7	3.8	18	8.2
Less: capital transfers (1)	:	:	:	:	:	:	:	:	:	:	:	:	:		
Total	31.9	31.7	29.8	30.4	32.2	31.7	34.0	34.2	34.4	34.1	34.1	34.7	34.6	19	73.8
B. Structure by level of government															
as % of total taxation															
Central government	68.8	68.1	65.8	66.7	67.4	66.5	68.0	67.8	67.7	67.3	67.2	66.8	65.8	11	48.5
State government (2)	:	:	:	:	:	:	:	:	:	:	:	:	:		
Local government	7.0	7.0	7.0	6.7	6.5	6.7	6.9	7.2	7.3	7.3	7.1	7.2	7.2	13	5.3
Social security funds	23.8	24.5	26.8	26.3	25.8	26.5	24.8	24.7	24.7	24.9	25.2	25.4	26.5	21	19.6
EU institutions	0.4	0.3	0.3	0.4	0.3	0.3	0.3	0.3	0.3	0.5	0.5	0.5	0.5	15	0.4
C. Structure by economic function															
as % of GDP															
Consumption	12.3	12.0	10.6	11.4	11.9	12.0	11.7	12.2	12.4	12.5	12.7	12.8	12.8	11	27.3
Labour	12.2	12.4	12.7	12.6	13.3	12.7	14.7	14.9	14.8	14.5	14.4	14.6	14.8	20	31.6
of which on income from employment	11.4	11.5	11.8	11.6	12.1	11.5	12.9	13.0	13.0	12.9	12.8	13.1	13.3	23	28.4
Paid by employers	4.5	4.6	4.7	4.9	5.1	5.0	5.1	5.1	5.1	5.2	5.3	5.6	5.8	15	12.4
Paid by employees	6.8	6.9	7.1	6.7	7.0	6.5	7.8	7.9	7.9	7.7	7.6	7.5	7.5	21	16.0
Paid by non-employed	0.8	0.8	0.9	1.0	1.2	1.1	1.8	1.8	1.8	1.7	1.6	1.6	1.5	12	3.3
Capital	7.3	7.4	6.4	6.4	7.0	7.0	7.6	7.2	7.2	7.0	7.0	7.2	7.0	14	14.9
Income of corporations	3.5	3.5	2.8	2.7	3.1	2.8	3.3	2.8	3.1	3.0	3.2	3.3	3.1	8	6.7
Income of households	0.8	1.0	1.0	0.7	0.9	1.1	1.2	1.2	0.9	0.7	0.6	0.6	0.6	16	1.2
Income of self-employed	0.5	0.4	0.4	0.7	0.7	0.7	0.7	0.7	0.6	0.6	0.6	0.6	0.6	20	1.3
Stock of capital	2.5	2.4	2.3	2.2	2.3	2.4	2.5	2.5	2.6	2.7	2.6	2.7	2.7	8	5.7

Table PT.1: Tax Revenue (continued)

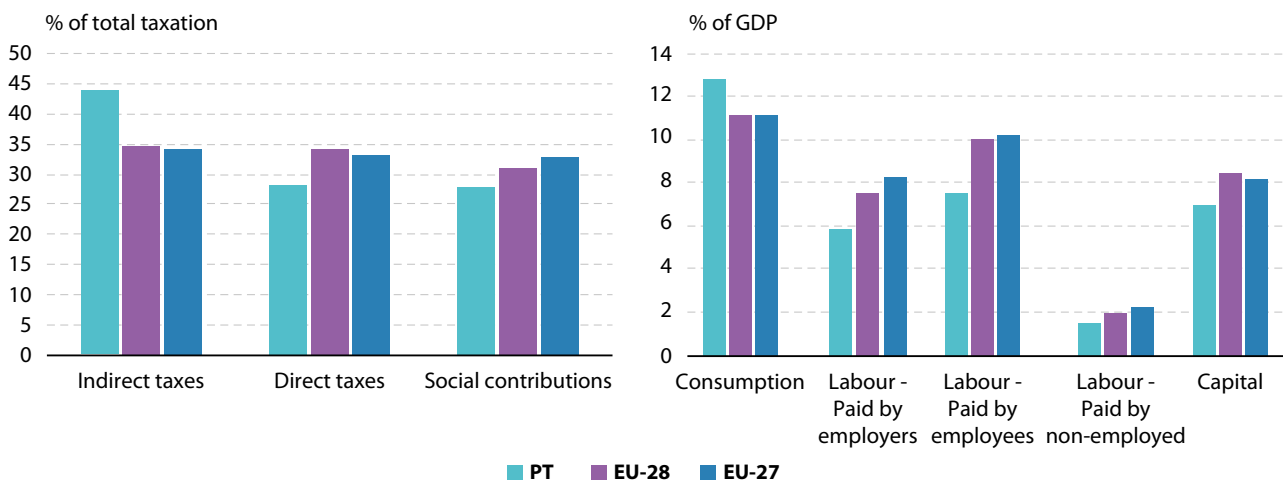
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Ranking 2019	Revenue 2019 (billion euros)
D. Environmental taxes as % of GDP															
Environmental taxes	2.7	2.5	2.4	2.4	2.3	2.2	2.2	2.3	2.4	2.6	2.6	2.6	2.5	15	5.4
Energy	1.9	1.8	1.8	1.8	1.7	1.7	1.7	1.7	1.8	1.9	1.9	1.9	1.8	17	3.9
of which transport fuel taxes	1.8	1.7	1.7	1.6	1.5	1.5	1.4	1.4	1.5	1.6	1.6	1.6	1.5	10	
Transport	0.8	0.7	0.6	0.6	0.6	0.5	0.5	0.6	0.6	0.7	0.7	0.7	0.7	8	1.4
Pollution and resources	0.01	0.01	0.01	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.03	18	0.1
E. Property taxes as % of GDP															
Taxes on property	2.0	1.9	1.8	1.7	1.8	1.8	1.9	2.0	2.1	2.1	2.2	2.2	2.2	8	4.7
Recurrent taxes on immovable property	0.6	0.6	0.6	0.6	0.7	0.7	0.8	0.8	0.8	0.8	0.8	0.8	0.8	10	1.7
Other taxes on property	1.5	1.3	1.2	1.1	1.2	1.1	1.1	1.1	1.2	1.3	1.4	1.4	1.4	4	3.0
F. Implicit tax rates %															
Consumption	16.5	15.7	14.1	15.0	15.6	15.6	15.4	15.7	16.1	16.3	16.5	16.7	16.7	23	
Labour	24.6	24.7	24.8	24.5	26.1	25.8	28.8	29.5	29.8	29.5	29.2	29.3	29.6	24	
G. Payable tax credits as % of GDP															
Total payable tax credits	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
Tax expenditure component	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
Transfer component	:	:	:	:	:	:	:	:	:	:	:	:	:	:	
Total tax revenue adjusted for payable tax credits	:	:	:	:	:	:	:	:	:	:	:	:	:	:	

(¹) Representing taxes assessed but unlikely to be collected.

(²) This level refers to the *Länder* in Austria and Germany, the *gewesten and gemeenschappen / régions et communautés* in Belgium, and the *comunidades autónomas* in Spain.

Source: European Commission, DG Taxation and Customs Union, based on Eurostat data

Figure PT.1: Tax revenues by main taxes, 2019
(in % of total taxation (left graph) and in % of GDP (right graph))



Source: European Commission, DG Taxation and Customs Union, based on Eurostat data

Table PT.2: Latest tax reforms

Description of measure	Change	Date
Corporate income tax		
Introduction in the Portuguese CIT code of the definitions of hybrid mismatches (situations giving rise to deduction without inclusion or double deduction), double deduction, deduction without inclusion, associated enterprise and hybrid entity. Provisions regarding disallowed tax deductions resulting from hybrid mismatches, reverse hybrid mismatches and tax residency mismatches were also introduced.	Base increase	Legislation: 06-07-2020 In force from: 07-07-2020
Introduction of changes to the concept of permanent establishment, namely: - Consider the existence of a stable establishment when the facilities, platforms or ships used in the exploration of natural resources in Portugal last longer than 90 days, when currently a minimum period of 6 months is required; - Consider the existence of a stable establishment when there is provision of services in Portuguese territory for more than 183 days over a period of 12 months (at present there is no similar standard); - Extension of the concept of dependent agent which results in the existence of a permanent establishment, including when the agent maintains a deposit of goods in Portugal for delivery on behalf of a foreign company; - Exclusion of facilities or warehouses maintained to deliver goods under the concept of auxiliary or preparatory activities; - Introduction of an anti-abuse rule that aims to combat the fragmentation of activities carried out in Portuguese territory that could be seen as auxiliary or preparatory in isolation, but which, jointly, would not be seen, in particular, when these activities are developed by closely related companies.	Base increase	Legislation: 31-12-2020 In force from: 01-01-2021
Cooperatives, micro companies and SMEs can waive the obligation to make advance payments in 2021.	Neutral	Legislation: 31-12-2020 In force from: 01-01-2021
Cooperatives, micro companies and SMEs can request the full refund of the amount of the special advance payment not yet offset.	Neutral	Legislation: 31-12-2020 In force from: 01-01-2021
Autonomous taxation – Introduction of a transitional provision applicable to cooperatives, as well as micro, small and medium sized companies in 2020 and 2021. Under this provision, the aggravated autonomous taxation (10%) is not applicable in the following circumstances: (i) The taxpayer obtained taxable profits in one of the previous three tax years, having complied timely with the filing of the CIT return and the Annual Statement (IES) concerning the two previous tax years; or (ii) The activity started in 2020 or 2021, or those years correspond to the first or second year of activity.	Neutral	Legislation: 31-12-2020 In force from: 01-01-2021
Value-added tax		
Reduced rate of 13% to the supply of electricity in power contracts not exceeding 6.90 kVA, until 100 kWh during a period of 30 days (or, when acquired by large families, 150 kWh during a period of 30 days)	Rate decrease	Legislation: 24-09-2020 In force from: 01-12-2020
New rules on e-commerce	Base increase	Legislation: 24-08-2020 In force from: 01-07-2021
Simplification measures in the intra-community trade	Neutral	In force from: 01-01-2020
Environmentally-related taxes		
Introduction of a EUR 2 fee, per passenger, for air and water travel	Rate increase	Legislation: 31-12-2020 In force from: 01-01-2021
Other excise duties		
50% tax reduction for alcoholic drinks produced in Azores and Madeira and consumed in Continental Portugal	Rate decrease	Legislation: 31-12-2020 In force from: 01-01-2021
Transaction taxes (movable and immovable property)		
Real estate transfer tax (IMT): uniformization of rules between different types of companies	Base increase	Legislation: 31-12-2020 In force from: 01-01-2021
Motor vehicles imported from the EU have a new table for tax reductions relative to the environmental component.	Rate decrease	Legislation: 31-12-2020 In force from: 01-01-2021