

Tax measures at 21 march 2020

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1. Legislative measures (without penalty):

- i) Advance Tax Payment due in March may be paid until 30 June 2020;
- ii) Filing of the Periodical income tax form ("dec. Mod-22 IRC") to be done until May can be carried out until 31 July 2020;
- iii) The Additional advance payment on account to be due in July, can be made until 31 August 2020;
- iv) Documents subject to renewal, whose validity has expired from March 14, 2020, or in the 15 days immediately before or after March 12, 2020, continue to be validly accepted for all legal purposes by public authorities;
- v) Social Security contributions paid by employers or self-employed workers (with workers in service) in a situation of business crisis - total stoppage of the company's activity or an abrupt and sharp drop in at least 40% of turnover as a result of the outbreak - are exempt for 1 month, with the possibility of a six-month extension.

2. Measures announced, to be implemented:

i) VAT and PIT and CIT withholdings

- On the due date of payment, the tax obligation can be fulfilled in three ways:
 - (i) full payment;
 - (ii) payment in three interest-free monthly instalments; or,
 - (iii) payment in six monthly instalments, with default interest on the last three;
- In the case of a fractional payment, warranties/laterals are not required;
- Applicable to VAT taxpayers under the monthly or quarterly periodicity regime;

Covers self-employed individuals and companies with a turnover of up to € 10m in 2018, or starting from 1/01/2019. The remaining taxpayers may request fractional payments in the second quarter when they have seen a decrease in turnover of at least 20% in the average of the three months preceding.

ii) Social Security Contributions:

- Contributions due between March and May 2020 are reduced to 1/3 in March, April and May;
- The remaining amount for the months of April, May and June is settled from the third quarter of 2020 in terms similar to the fractional payment through instalments adopted for taxes payable in the second quarter, without prejudice to the option for payment immediate;
- The measure is applicable immediately to companies with up to 50 jobs, or from the second quarter of 2020 to companies with up to 250 jobs, as long as they have suffered a drop in turnover greater than or equal to 20%;
- Necessary conditions: proof of regular contributory and tax situations before Social Security and the Tax Authority, respectively.

iii) Tax Foreclosures:

Tax foreclosures will be suspended for a 3-month period.

iv) Declarative obligations

- Approval of Accounts: general meetings of commercial companies, associations or cooperatives that must be held by imposition of the law or their bylaws (articles of association) can be held until June 30, 2020.
- Single Report: the delivery of the single report for 2019 occurs from March 16, 2020, but the final delivery date will be postponed and the deadline will be communicated by the Ministry of Labor, Solidarity and Social Security.

3. Relevant notes:

- According to the note from the Presidency of the Republic of March 16, 2020 (available at www.presidencia.pt), all decisions on the Portuguese Government Budget for 2020 were postponed to the week of March 23 to 27, 2020.
- The declaration of a state of emergency at the national level for the entire national territory, starts the 19th of March.
- Main extraordinary measures for coronavirus containment and mitigation for companies:
- Simplified lay-off (Portaria 71 A/ 2020 de 15 de março de 2020).
- Training grant of the Employment and Vocational Training Institute (Portaria 71 A/ 2020 de 15 de março de 2020).
- Exceptional and temporary exemption from payment of Social Security contributions (Portaria 71 A/ 2020 de 15 de março de 2020).
- Extraordinary financial incentive to ensure the normalization phase of the activity (Portaria 71 A/ 2020 de 15 de março de 2020).
- Credit lines to support companies (Resolução do Conselho de Ministros n.º 10 A/ 2020 de 12 de março de 2020).