

# Portugal's NHR Tax Relief deadline 2024: Impact property, Economy, and Expat Residents

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Tax Relief deadline 2024: Impact property, Economy, and Expat Residents

The Non-Habitual Resident (NHR) tax regime has been a significant draw for foreign residents to Portugal since its inception in 2009. However, in a recent announcement, Prime Minister António Costa declared the imminent termination of the program for new non-habitual residents in 2024. This decision, while not unexpected, has raised concerns about its potential impact on Portugal's housing market, economy, and foreign resident community.



While the NHR's conclusion poses challenges, Portugal remains an attractive destination. We're dedicated to helping our clients navigate these changes efficiently"

*Steve Philp, Director Portugal Pathways*

The Portuguese government has cited several reasons for terminating the NHR program. First, the program has been criticized for contributing to rising housing prices in popular tourist destinations like Lisbon and Porto. Second,

the program has been accused of creating a tax loophole for wealthy foreigners, who can take advantage of Portugal's low taxes on foreign-sourced income.

The termination of the NHR program is likely to have a significant impact on Portugal's housing market. On the one hand, it could lead to a decrease in demand for housing from foreign buyers, which could result in lower housing prices. On the other hand, the program's termination could also discourage foreign investment in Portugal, which could lead to a slowdown in the construction of new housing.

The NHR program has been a boom to Portugal's economy in recent years. The program has attracted thousands of foreign residents to Portugal, who have brought with them their skills, expertise, and investments. The termination of the program could have a negative impact on Portugal's economy, particularly in the tourism and real estate sectors.

The termination of the NHR program is likely to have a mixed impact on Portugal's foreign resident community. For existing NHR beneficiaries, the program's termination will not have an

immediate impact. However, new non-habitual residents will no longer be eligible for the program's tax benefits. This could make Portugal a less attractive destination for foreign retirees, investors, and entrepreneurs

David Vacani, CEO and Founder of Beacon Global Wealth Management, commented on the matter, "The NHR program has been an instrumental in attracting global expatriates to Portugal. Its anticipated cessation undoubtedly brings a mix of challenges and opportunities. While the winds of change are inevitable, astute financial forward planning for those in Portugal currently enjoying the NHR remains the compass guiding the way"

The termination of the NHR program is a significant development for Portugal.

The program has been a key driver of foreign investment and economic growth in recent years. However, the program has also been criticized for contributing to rising housing prices and creating a tax loophole for wealthy foreigners. The impact of the program's termination remains to be seen, but it is likely to have a significant impact on Portugal's housing market, economy, and foreign resident community.

Steve Philp, Director at [Portugal Pathways](#), remarked, "While the NHR's conclusion poses challenges, Portugal remains an attractive destination. We're dedicated to helping our clients navigate these changes efficiently."

"Information is key, keeping abreast of the timelines and making informed decisions is crucial. Our [next webinar on the 24th October](#) will address the decisions needed to be made if you are currently residing in Portugal or are looking to relocate"

Current NHR beneficiaries should consult with a financial advisor as well as a tax advisor to understand how the termination of the program will impact their tax liability. Prospective NHR residents should carefully consider the financial implications of moving to Portugal without the benefit of the NHR tax regime. For current NHR residents early planning is key, don't wait until the 10 years is up, the earlier you plan the greater the long-term benefits are past the initial 10 years.

For more information please contact [steve.philp@portugalpathways.io](mailto:steve.philp@portugalpathways.io)



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## 2024 Deadline for NHR Tax Incentives Looms

Plan you future, Portugal Pathways webinar 24th October

Portugal Pathways is a leading provider of residency and NHR tax status assistance for affluent expats. Our experienced team can help you navigate the complex residency process and ensure that you are taking advantage of all available tax benefits

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