

NHR tax status applications must prove intent before the December 2023 deadline

LISBON, PORTUGAL , December 1, 2023 /EINPresswire.com/ -- NHR tax status applications must prove intent before the December 2023 deadline

After weeks of uncertainty, the Portuguese government has confirmed its hugely popular Non-Habitual Residency (NHR) tax regime will continue until the end of 2024 – but only to those who have already started their application.

Introduced in 2009 it offers beneficial tax rates for up to 10 years for successful applicants and was designed to attract wealthy investors to Portugal.

It proved a huge success with an excess of 72,000 making the move. But it prompted fears, domestically, it was driving property prices out of the reach of locals.

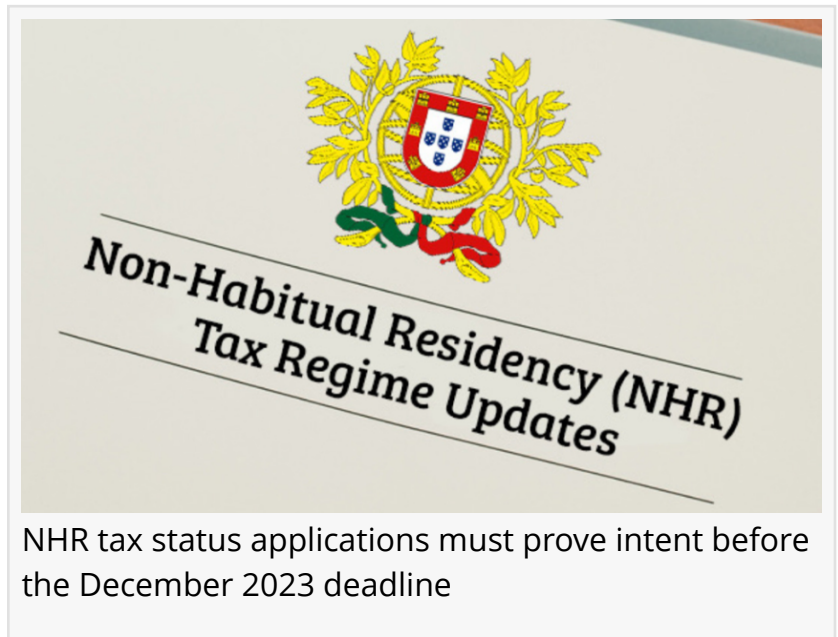
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Steve Philp, Partnership Director at World Digital Foundation

As a consequence, the government had announced the curtain was to fall for new applications at the end of 2023. But when Portuguese Prime Minister António Costa resigned in October amid a corruption probe, the proposed legislation, spearheaded by his Socialist Party (PS Party) was thrown into disarray. However, ahead of a General Election in March, Portugal's parliament has now extended the NHR tax regime for foreign residents until the end of 2024. It comes, however, with caveats.

Under the agreed extension, applicants must prove they had already started planning their journey to move to Portugal during 2023.



That means providing proof of a job offer or property agreement dated before the end of December.

This could include proof of address such as property ownership in Portugal, a rental agreement, utility bills, a Portuguese bank account, or a NIF tax ID. If you are a non-EU citizen, it means providing proof you have an immigration appointment, a residency card, or alternatively a letter of intent.

While it finally ends the uncertainty, it will however leave many keen for clarity on what it means to them.

To that end, [Portugal Pathways](#), which supports people seeking a new life in Portugal by advising on how best to structure their life, income, tax and assets to ensure a smooth transition has created [a free easy-to-follow guide](#) as to exactly what the new legislation means.

Crucially, it provides details of exactly what will be accepted as proof for those planning to make a life in Portugal.

Steve Philp, partnership director of Portugal Pathways said: “The recent uncertainty surrounding NHR tax status deadlines for new entrants has been unsettling, so it's reassuring that individuals who have demonstrated a genuine intention to relocate to Portugal will still be eligible for NHR tax status, provided they can furnish the necessary documentation and proof of intent outlined by the Portuguese government.

“Many had made huge investments of time and money into their planned move but had been thrown into uncertainty. This gives them confidence they can proceed as planned.

“However, many people will still have plenty of questions as to just what the new legislation means to them.

“Whether they are in the process of making the move or existing NHR tax regime beneficiaries, there will be many needing reassurance, or guidance, as to exactly what it is they need to do.

“The Portuguese government has also not yet fully announced the details of what it proposed previously as the replacement for the NHR tax regime, which it tentatively named the Incentivised Tax Scheme (ITS) in draft announcements.



Steve Philp, Partnership Director of Portugal Pathways

“It is likely that the new tax regime will have similar benefits as the current NHR tax status, but there will inevitably be some impact from these changes.

“Our guide looks at all these issues and lights the way for those wondering just what they need to do next.

“What is worth saying, though, is that there are very few professional supply chain partners who are taking on brand new applications before the end of December so this is very much for those who already in the middle of their application process for NHR tax status before the end of December deadline.”

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For further information please contact steve.philp@portugalpathways.io

About Portugal Pathways: Portugal Pathways is dedicated to assisting individuals in optimising their relocation or life strategy in Portugal. Collaborating with leading professional organisations, they provide essential information and advice for prospective and current residents of Portugal

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