

Portugal

# Government Reduces Withholding Tax Rates for Salaries, Pensions in Mainland Portugal

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On 25 January 2023, the Secretary of State for Tax Affairs announced new withholding tax rates that apply to employment and pension income earned by residents in mainland Portugal in the first semester of 2023.

Following the last publication (see [Government Publishes New Withholding Tax Rates for Salaries, Pensions \(7 December 2022\)](#)), the withholding tax rates applicable to the first few income brackets up to EUR 964 have dropped by 7% to 20%. As per the new rules, employment and pension income up to EUR 762 is exempt from withholding tax (EUR 710 for 2022).

The full text of the update is available [here](#).

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