

# How To Register for Non Habitual Residency Tax Holiday

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Non Habitual Tax Residency (NHR) is a very useful & generous but (perhaps) confusingly named piece of legislation that is a (new immigrant tax concession) 10 year tax holiday that gives new immigrants & returning former emigres a 10 year tax holiday on a lot but not all income derived from outside Portugal.

It is NOT any kind of residency or other visa & is only available to (adult) new immigrants or returning former emigres who have been residing outside Portugal for 5 or more years & must be applied for before 31<sup>st</sup> March after the year you became a registered resident of Portugal & you can either apply online and do it yourself or go to any Financas/tax office & ask them to do it for you or you can engage a professional to do it for you & if you do want to use a professional, you will find several listed in the Trade & Business Directory in the files section of this group.

1. Go to the Portal das Financas at the link below and sign up. The form is in Portuguese, but is simple, short and obvious.
2. Within a fortnight a password is posted to your home address.
3. Login to the portal and make your way to the NHR registration page.
- 4 then answer few simple questions such as email address & NIF number, the tax year you are applying for (be sure to get this one right!) & just tick the box to confirm that you have not been a Portuguese tax resident in the past 5 years.
- 5 Click submit & you should then get an immediate provisional acceptance, with full acceptance within a few days.

## NOTE:

To get the full benefit of the NHR concession it would probably be advisable to consult a professional in the field especially with regard to 'Special Occupation Status' & then select what you do by way of working or being retired etc & do not worry too much about that one & simply select what comes anywhere near close as in reality, Portugal does not know nor care whether you are a ditch digger or a brain surgeon.

<https://www.portaldasfinancas.gov.pt/at/html/index.html>

## NOTE:

Exactly how you access & navigate this process might vary slightly depending on whether you are using a desktop, laptop, Apple Mac laptop, iPhone, iPad or Android device as each displays a slightly different version of the page so you may possibly need to use a degree of trial & error but once you know how to do it then it becomes a relatively easy process & that 10 year tax break is always worth registering for as even if you did not have foreign income when you apply, you may well have some in the coming 10 years.

Also, if you get an error message when you try to complete the registration then this can usually be fixed by not putting your own NIF in the box that asks for it, even though it says it is mandatory & try leaving it blank as that NIF box is for the Fiscal Rep's NIF & if you are not the Fiscal Rep or if you do not have a Fiscal Rep then there is no need to enter anything in there.

## Article 236

### **Transitional provision within the scope of personal income tax**

1 - The amounts attributed to workers as a share in the company's profits, via balance sheet bonus, paid by entities whose appreciation nominal fixed remuneration of all workers in 2024 is equal to or greater than 5%.

2 - Exempt income under the terms of the previous paragraph is included for the purposes of determining the rate applicable to other income.

3 - The provisions of paragraphs 8 to 12 of article 16, in article 22, in paragraphs 10 and 12 of article 72, in paragraphs 4 to 8 of article 81, in paragraph 8 of article 99 and paragraph d) of paragraph 1 of article 101 of the IRS Code, in the wording prior to that introduced by this law, continues to be applicable, until the end of the period set out in No. 9 of article 16 of the IRS Code, in the wording prior to that introduced by this law, counting from the date on which the taxpayer became resident in Portuguese territory, to the taxpayer who:

- a) On the date of entry into force of this law, you are already registered as a non-habitual resident in the AT taxpayer register, until the period referred to in paragraphs 9 to 12 of article 16 of the IRS Code;
- b) On December 31, 2023, meet the conditions of article 16 of the IRS Code to qualify as a resident for tax purposes in Portuguese territory;
- c) Become a resident for tax purposes by December 31, 2024 and declare, for the purposes of registering as a non-habitual resident, that you have one of the following elements:
  - i) Promise or employment contract, promise or secondment agreement signed by December 31, 2023, whose duties must take place within national territory;
  - ii) Lease contract or other contract that grants the use or possession of property in Portuguese territory concluded until October 10, 2023;
  - iii) Reservation contract or promissory contract for the acquisition of real rights over property in Portuguese territory concluded by October 10, 2023;
  - iv) Enrollment or registration for dependents, at an educational establishment domiciled in Portuguese territory, completed by October 10, 2023;
  - v) Residence visa or residence permit valid until December 31, 2023;
  - vi) Procedure, initiated by December 31, 2023, for granting a residence visa or residence permit, with the competent entities, in accordance with the legislation in force applicable to immigration matters, namely through the scheduling or effective request scheduling the submission of the application for the granting of a residence visa or residence permit or, even, by submitting the request for the granting of the residence visa or residence permit;
- d) Be a member of the household of the taxpayers referred to in the previous paragraphs.

4 - For the purposes of paragraphs c) and d) of the previous paragraph, the taxpayer must request registration as a non-habitual resident, electronically, on the Finance Portal, after the act of registration as a resident in Portuguese territory, under the terms of paragraph 10 of article 16 of the IRS Code, in

the wording prior to that introduced by this law, by reference to the year in which he became resident in that territory.

5 - In cases where registration is carried out outside the period referred to in paragraph 4, taxation under the terms safeguarded in this article takes effect from the year in which registration is carried out, for the remaining period, until the end of the period provided for in paragraph 9 of article 16 of the IRS Code, in the wording prior to that introduced by this law, counting from the year in which you became resident in that territory.

6 - The limit set out in paragraph 1 of article 12-A of the IRS Code, as amended by this law, applies only to taxpayers who become tax resident in the year 2024 or later.

[https://diariodarepublica.pt/dr/detalhe/lei/82-2023-835864042?fbclid=IwAR3Ze2-PPIiSkTUMEHBkg99WCt2oCaxC-6TA\\_dgtRI9SoKuRGBTyv-vbkho](https://diariodarepublica.pt/dr/detalhe/lei/82-2023-835864042?fbclid=IwAR3Ze2-PPIiSkTUMEHBkg99WCt2oCaxC-6TA_dgtRI9SoKuRGBTyv-vbkho)