



TAX DECLARATIONS: *getting ready*

Gathering documents and information ahead of time can help ensure that your tax preparation goes smoothly. Whether you use the services of a professional or you venture forwards on your own, here is a checklist of essential documents that you may need to have on hand when getting ready to submit your annual Portuguese “IRS” income tax return.

1. A copy of your prior year’s tax declaration



This is the first step in getting a handle on your current situation. Last year’s tax return can help guide you to the information you need now.

2. Records of wages, compensation or tips



(annual statements such as W-2, P60, etc.)

If you are self-employed, you will need a statement showing business income and expenses for the tax year. Resident taxpayers working in Portugal can verify their situation on the “AT” website where their position is automatically registered.

3. Records from your broker of purchase and sale of shares and/or other securities



You should include all relevant information, including purchase and sales prices and date. Also, you’ll need to report any capital gains and losses you have during the tax year for any investments that you hold.

4. Records of sales and purchases of real estate



These documents are only necessary if you purchased or sold a home or other real property (i.e., land) in the fiscal year. You’ll need to keep the paperwork related to the transaction.

See euroFINESCO short nº 45 for details of what is required.

5. Records of interest and/or dividends



You should have a statement for every interest-earning bank account you have. If not provided automatically by the institution, please request.



6. Records of distribution from pensions, annuities, 401(k), IRA or other retirement accounts

Your employer or broker should send you a statement if you withdraw money from any of these accounts.

7. Records of any Social Security benefits paid to you

If you receive Social Security payments from the US, you'll receive a Form SSA 1099. Remittances from foreign social security offices, such as National Insurance in the UK, may not have an end-of-year statement so you will need to keep track of payments using your bank account or other reporting by your plan holder.

8. Records of any additional sources of income

This includes income if you own a business that isn't a sole proprietorship (partnership, corporation, etc.); are part owner of a foreign partnership or corporation; bond interest; or income from gambling, farming, royalties, unemployment compensation or disability income.

9. Automatic Reporting for income and expenses in Portugal

The Portuguese Tax Authority ("AT") has introduced *Automatic "IRS" Reporting* for millions of taxpayers in Portugal. This method is part of "Simplex", a programme designed to reduce bureaucracy at all levels of government. Taxpayers can verify their provisional declarations to assure that their circumstances are reflected accurately. Confirmation of the provisional declaration will stand as a taxpayer's submission and the provisional liquidation becomes definitive. If left unconfirmed, the return automatically becomes final at the end of the reporting period (30 June).

Note: You may have additional records that might apply to your specific tax situation.