



Local Lodging:
Invoicing when letting via an online platform

Local Lodging (AL) is a world unto itself, with new rules and regulations that raise doubts both to those who offer the tourist services and to those who utilise them. It is vital to understand how and to whom invoices must be issued when using online booking platforms like Airbnb or Booking.com, as well as how to declare generated revenues to *Finanças*.

According to a binding ruling from the Portuguese Tax Authority (“AT”), an invoice must always be issued to the holidaymaker with all fees and commissions included and never to the intermediary/broker. The only amount that should be omitted is any commission charged directly by the online platform to the tourist.

Reporting to the “AT”

Anyone operating a Local Lodging establishment must withhold tax at the rate of 25% on commissions and fees paid to an intermediary company, as well as transfer assessment to the State via the *Modelo 30* by the 20th of the following month.

Withholding tax can be waived if the booking company can prove that they are covered by a double taxation agreement with another country by filing form 21-RFI. This certificate is valid for only one year and must be renewed annually.