



“IMI” Updates for 2019

“IMI” due one month later

There are new deadlines for the payment of the Municipal Property Tax (“IMI”). Instead of running between April and October as before, tax settlement will take place between May and November in 2019. “IMI” is paid in one go or in several instalments, depending on whether taxation is less or greater than €100. May is the month for single assessments when the tax due is under €100; or for the first instalment, in cases where the amount owed is greater. Second payments are in August when “IMI” exceeds €500. Finally, November is for final payments when taxation falls between €100 - €500 or third instalments if the levy is greater than €500.

“IMI” adjustments

The value per square metre for real estate rose from €603 to €615 per m², an amount that had not changed since 2010. This criterion is key in determining a property’s Rateable Value (“VPT”) and consequently the value of “IMI”. The amount due is fixed by factors such as location, condition, quality, size and age of the property. These coefficients are updated every three years at which time a revaluation of the property can be requested. The final “IMI” due is determined by the tax rate established by each Municipality between 0.3% to 0.45% for urban buildings and 0.8% for rustic land.

“IMI” drops for 24,000 taxpayers seeking revaluation

More than 90% of the taxpayers requesting a reassessment of their property value (“VPT” - Tax Asset Value) achieved a reduction in the “IMI” due. Properties were overvalued by more than €447 million. Updating the “VPT” (on which “IMI” applies) does not happen automatically.



Legislation permits owners to call for a reappraisal three years after the previous one. This free of charge request can be made directly at the local tax office or via the “AT” Portal.

Additional to “IMI” in 2019

Established in 2017, “AIMI” is a supplementary property tax assessed on higher valued properties, based on the sum of all taxable “urban” real estate (“VPT”). This incremental levy is sometimes euphemistically referred to as a *Portuguese Wealth Tax*. Urban properties classified as "commercial, industrial or service" and "other" are exempt.

In 2019, “AIMI” rates are as follows:

Companies (*non-residential use by owners/directors; otherwise same as Individuals*):

0.4% for total of rateable urban “VPT”s;

Individuals (*for couples, double exempt value*):

0.7% When the total “VPT” value of all properties is between €600,000 and €1,000,000;

1% For “VPT” real estate totals between €1,000,000 and €2,000,000;

1.5% For “VPT” total exceeding two million euros (*new in 2019*).

Assessment of the Additional to “IMI” is calculated in June referring to real estate holdings on 01 January of each year. Payment is due in September.

“IMI” to skyrocket for vacant properties

The executive has reviewed the criteria for properties being considered “vacant”, which may imply an increase in “IMI” (Municipal Property Tax) by three to six-fold. The increase will occur when an abode is located in a “pressure zone” and has remained empty for more than two years.



Lack of consumption of utilities such as water and electricity will be the prime indicators. Exempt from the concept of “vacant” are dwellings integrated in tourist developments or registered as Local Lodging as well as second homes not located in the same municipality where the owner is resident.

© - *All rights reserved*

25 March 2019

