



## ***“IMI” Rates*** ***How to claim exemption***

Despite a steep rise in IMI rates in 2014, some taxpayers may still be eligible for exemption from “IMI” (Property Rates). Here are the key points for you to follow in order to take advantage of this tax break.

- ***Can I benefit from exemption from Council Tax (“IMI”)?***

You may apply for exemption from “IMI” (Property Rates) when you purchase a property, whether a villa or an apartment, as your *principal and permanent residence*, provided that the rateable value (“VPT”) of the property does not exceed €125,000.

In addition, it is necessary that the household has a total income tax base for personal income tax purposes (“IRS”) of less than €15,330 per annum. If these criteria are met, the taxpayer can qualify for an exemption for a period of three years.

This tax break may be granted only twice, at different points in time, to the same taxable person or household. In addition, to qualify for the exemption, the taxpayer may not have any payments in arrears with the “AT” (Portuguese Tax Authority) or with Social Security.

If the debt is subsequently paid, the exemption will be granted in the following year with the initial year of exemption being lost.

- ***How do I request exemption from IMI?***

The application for exemption must be made within 60 days after the 6 month period required from the building acquisition date. However, if the designation as permanent residence is done after the deadline of six months or if the request is delivered after 60 days, the exemption starts in the following year. However, in these cases, the exemption still ends in the appropriate year had the request been made on time. In other words, you lose one year.



- ***Can landlords benefit from IMI exemption?***

Yes. The buildings or apartments that have been built, improved or expanded may be exempt from IMI even when intended for leasing. The exemption period starts from the beginning date of the first lease.

- ***Are low income taxpayers entitled to exemption from IMI?***

Yes. Besides the above mentioned situations where the “AT” (Tax Authority) grants IMI exemption for a period of three years, the Tax Relief Statutes also provide for the granting of unlimited exemptions for families with lower incomes.

Taxpayers whose households have a total income less than €15,295 and a rateable real estate value of less than €66,500 are automatically eligible for on-going exemption.

- ***What is the deadline for the payment of IMI?***

If you are not exempt, here are the key dates to keep in mind for payment of “IMI”:

The first “IMI” notice comes in the month of April. If the amount is equal to or less than €250, this is the only time you will receive a notice and this will be the sole payment.

If the amount exceeds €250 or less but is less than €500, the tax is paid in two installments in April and November.

When the value of the “IMI” levy exceeds €500, payment will be split into three instalments with notifications in the months April, July and November. Payment due in the following month respectively. Like other taxes, “IMI” can now be paid via Direct Debit.