



## **ADDITIONAL TAX TO IMI (“AIMI”)**

### **Tax basis**

Introduced in the 2017 state budget, AIMI is due by resident and non-resident companies and individuals when owners or beneficiaries have the occupational and surface rights of residential urban properties located in Portugal.

The taxable basis corresponds to the sum of the Rateable Value (“VPT”) of all the urban properties held by each taxpayer, as reported on 01 January of each year.

### **Deductions / Exemptions**

The new levy is applicable to all urban properties held by companies, except those holding properties licensed for housing, commercial, agricultural or industrial purposes (nº 2, art. 6º, CIMI), for example, a Local Lodging license.

In the case of individuals, a deduction of €600,000 to the taxable basis is allowed. Married or cohabiting couples who opt to submit a joint tax return are entitled to deduct €1,200,000 from the VPT sum of all urban properties. Properties with IMI exemption in the previous year are also excluded from AIMI.

### **Rates**

The applicable rates, after deductions provided, are as follows:

<b>Taxpayer</b>	<b>Rate</b>
Individuals (1) and undivided inheritances	0.7%
Companies (2)	0.4%
Urban properties owned by entities in tax havens	7.5%



- 1) To the taxable amount above €1,000,000, or €1,000,000 for married or cohabiting couples, a marginal rate of 1% in case of individuals will apply .
- 2) In the case of urban properties owned by corporations for the personal use of the shareholders, members of the board or of any administrative bodies, management or supervision, a rate of 0.7% shall be applied. To the portion of the taxable amount that exceeds €1,000,000 a marginal rate of 1% is applied.

### **Settlement period and payment**

AIMI is assessed by the Portuguese Tax Authorities in June of each year with the respective payment being made during the month of September.

### **IRS tax credit**

AIMI is deductible to the fraction of the tax corresponding to the net income generated by properties subject to AIMI, in the case of aggregate income taxation; or deductible to the tax, in the case of application of the withholding tax of 28% to the property income, in all other cases. The deduction is also applicable to the taxpayers who obtain Category B income (Business and professional income) related to rental or accommodation activities.

### **IRC tax credit**

Taxpayers have the option to deduct the AIMI paid, limited to the fraction of the tax corresponding to the income generated by properties subject to AIMI in the scope of rental or accommodation activities.