



“IUC” ROAD TAX

Owners of vehicles originally registered in the current month now have to pay “IUC” Road Tax (*Imposto Único de Circulação*) by the last day of the month. This levy, created in 2007 to substitute the Municipal Vehicles Tax (“*Imposto Municipal sobre Veículos*”), is an annual assessment owed by the owners of cars, trucks, bikes, boats and aeroplanes. Older Passenger Vehicles (Category A) registered before 1981 and Motorcycles (category E vehicles) on record prior to 1992 are exempt.

Time limit

Two and four wheeled vehicles pay their tax during the “anniversary” month (i.e. the month when the vehicle was originally registered). On the other hand, the owners of boats and airplanes have to pay this tax at the beginning of each year in January, irrespective of the month when matriculation took place.

This time limit, which varies from case to case, marks one of the differences between this and previous tax, which had a single fixed time period (from May to July) common to all vehicles.

Taxable owners

Another new rule of the “IUC” Road Tax which differs from its predecessor is the fact that the tax applies to the mere ownership of the vehicle, irrespective of its use or ability to circulate on public roads. This tax payment obligation extends also to leasers and holders of purchase rights on same basis as conventional owners of vehicles. Those responsible for payment of this tax must consult the vehicle documents to find out the month of matriculation and pay the tax during the respective month. This tax is owed by the person who is the registered owner of the vehicle. Therefore, responsibility for paying the tax for all abandoned cars, vehicles sold privately or those non-transferred titles to the name of the new owners, remains with the



person who is the current registered owner. It is obligation of each person then to verify that sold or decommissioned vehicles have been properly disposed of in order to prevent otherwise avoidable assessment for the Road Tax.

Payment

“IUC” (Road Tax) can be paid at any Finanças office or via Internet. (www.e-financas.gov.pt) Companies, on the other hand, can only pay online. What was known as a “*Selo do Carro*” (car tax stamp) has been discontinued.

In order to prove payment of the tax, owners must keep a payment guide and the receipt of payment furnished by Finanças. These documents should always accompany the vehicle, together with any other car registration documents.

Rates

Initially, there will be different rates for identical vehicles bought on different dates in order to maintain similarity to the previous tax for vehicles bought before 1 July 2007.

For vehicles purchased after this date, the tax will be higher.

Those vehicles benefiting from the old rates include:

- Passenger vehicles and mixed usage vehicles with gross weight under 2 500 kilos, registered after 1981 (Category A);
- Commercial vehicles and mixed usage vehicles with gross weight over 2 500 kilos used for commercial transportation, such as a sole traders, public transport or rent-a-car vehicles (categories C & D);
- Bikes, scooters, tricycles and ATV’s registered after 1992 (Category E);
- Recreation boats for private use, with power equal or greater than 20 Kilowatts, registered after 1986 (Category F);
- Private Aeroplanes (Category G).