



## **IRS - General Expenses**

To make the most of the interactive tax system, you should give your tax number (“NIF”) on invoices for any expense in order to be entitled to the following tax deductions:

- 35% of general family expenses up to €250 maximum per taxpayer (€715 in expenses p.p.)
- 15% of health expenditure (including health insurance, up to a maximum of €1,000);
- 30% of education expenses up to a maximum of €800;
- 15% of the costs of long-term rental housing, up to a maximum of €502 or 15% of the costs of loan interest to principal residence, up to a maximum of €296;
- 25% of the costs of Nursing Homes, up to €403.75;
- 15% of the VAT paid on each invoice for the expenses for restaurant, hairdressing and automobile and motorcycle repairs, up to a maximum of €250.

When requesting invoices for purchases, be sure to include your tax number (“NIF”) so that shops and businesses can automatically report the transaction for a tax credit. The Portuguese Tax Authority (“AT”) will list automatically all of your eligible expenses on your personal page on the *Finanças* web site, which can be consulted and approved by you online.

Where taxable income (per adult) exceeds €7.000, the sum of health, education, property, retirement home and maintenance allowances is capped at €1.250, reducing progressively to nil on incomes exceeding €80.000 (per adult). There is a 10% increase to the cap per child.



	<i>Description</i>	<i>Limit per person</i>
15%	Medical Expenses and Health Insurance	€1 000
	Rental housing	€502
	Loan interest for housing	€296
20%	Retirement saving plans (PPR)	€600 - €800
	Public capitalization regime	€350
	Alimony / Child Support	no limit
25%	Nursing care	€403.75
	Donations - State	no limit
	Donations - other entities	up to 15% of tax due
30%	Education	€800

### **PERSONAL AND FAMILY TAX CREDITS**

All taxpayers are entitled to personal credits depending on their civil status in relation to the family group (rather than specific income).

<b>Credit for each</b>	<b>Amount</b>
<b>SINGLE, Single with Dependents, Couples</b>	<i>replaced by General Family Tax Credit</i>
<b>EACH DEPENDENT CHILD -</b>	
earning less than the minimum wage:	€ 600
children under age 3:	€ 725
<b>ELDERLY DEPENDENTS -</b>	
with income not exceeding basic S.S.	
Pension, residing with taxpayers:	€ 525
Only one cohabiting elderly dependent:	€ 710
<b>HANDICAPPED DEPENDENTS</b>	€1 187.50