



Invoice Allocation Guidelines

FOR **FREELANCERS** IN PORTUGAL WITH REGISTERED
INDEPENDENT ACTIVITIES UNDER THE **SIMPLIFIED REGIME**

Tax Year 2025

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- Simplified Tax Regime
- Tax deductions for business expenses
- e-Fatura portal
- Deadline for allocating business expenses
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- Allocating invoices on the e-Fatura portal
- FAQ

intro

Whether you're an independent contractor, a consultant, or a creative professional, understanding how you will be taxed in Portugal is essential to managing your finances.

Portugal offers different taxation regimes for freelancers, with the **Simplified Regime** and the **Organized Regime** being the two primary options.

This guideline will cover the tax laws concerning the **Simplified Regime only**, and how freelancers can claim their business expenses for tax efficiency purposes.

If you have a registered Independent Activity with the Portuguese Tax Authority, then you **need to allocate all your expenses** via the e-Fatura portal, whether they are business or personal expenses.



simplified tax regime

In the Simplified Regime, the freelancer's taxable income, **depending on the type of activity** they engage in, is calculated by applying a **fixed percentage** to their gross income (Green Receipts).

This percentage is determined automatically by the Portuguese Tax Authority (Autoridade Tributária), based on the activity code, and it represents the proportion of income considered to be taxable.



tax deductions for expenses

As a freelancer or consultant, you are deemed to automatically qualify for **25% of your Green Receipts Income as business expenses.**

However, in order to qualify for the full 25% deduction, you are required to **justify a minimum of 15%** of your income as business expenses.

Any personal (non-business) expenses will fall into the general tax credits / deductions available to taxpayers*.

**This will not apply if you are on NHR and get taxed at the flat 20% tax rate.*



e-Fatura portal

When purchasing goods and services in Portugal, you will be asked for your personal NIF number. Records of all your purchases are sent to the Portuguese Tax Authority and are captured on their online portal, referred to as "**e-Fatura**". If your NIF was on the invoice, then it will automatically be mapped to your profile.

web browser



app



faturas.portaldasfinancas.gov.pt/

You can log onto the e-Fatura portal using your NIF number and your Portal das Finanças passcode.

deadline

2 March 2026

to allocate all your expenses
for the **2025 tax year**.

REMINDER

tax calculation examples

Real life examples to illustrate the tax implications of allocating business expenses.

EXAMPLE ONE



DJ
Jonathan

EXAMPLE TWO



Life Coach
Jennifer

EXAMPLE THREE



Swimming
Instructor
Tommy

EXAMPLE ONE



DJ Jonathan

- Jonathan has NHR status and is a popular DJ that travels throughout Portugal and Europe on Business Class Tickets and stays in fancy hotels.
- All Jonathan's travelling and accommodation expenses are paid by his clients directly and do not hit Jonathan's bank account.
- In the year 2025, Jonathan had a total income of € 100,000 euros from his activity as a DJ, but he could only justify 1,500 euros of business expenses (a turntable and notebook he purchased at FNAC in 2025).
- As a result, Jonathan needed to justify a minimum of 15% of his income (15,000 euros) as verifiable business expenses through e-Fatura.



EXAMPLE ONE

DJ Jonathan

Total Green Receipts for 2025 (excluding VAT)

*Issued through e-Fatura Portal

15% of Total Income (Green Receipts)
(required to be justified as business expenses)

Standard Social Security Rebate

Expenses justified & allocated on e-Fatura portal

Shortfall - to be added to Taxable Income

Taxable Income (75% of Green Receipts)

Add **Shortfall** of Justified Business Expenses

Total Taxable Income

Tax Payable on Taxable Income with
NHR High Value Activity

100.000,00 €

15.000,00 €

- 4.104,00 €

- 1.500,00 €

9.396,00 €

75.000,00 €

+ 9.396,00 €

84.396,00 €

16.879,20 €

Jonathan needs to justify a minimum of 15% of his income (15,000 €) as verified business expenses through the e-Fatura Portal.

Every taxpayer automatically gets a social security expense rebate of 4,104 €.

Jonathan was only able to justify 1,500 € of expenses on the e-Fatura portal.

This was a turntable and notebook he acquired at FNAC in 2025.

He was 9,396 € short of the required.



EXAMPLE ONE

DJ Jonathan

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75.000,00 €

+ 9.396,00 €

84.396,00 €

16.879,20 €

This means Jonathan was taxed on 9,396 € plus 75% of his income (under the simplified regime).

Since Jonathan has NHR status, the consequence of not meeting the 15% threshold in verifiable business expenses, is that he has to pay 20% of 9,396 € in additional tax.

EXAMPLE TWO

Life Coach Jennifer



- Jennifer is a life coach who supports clients in Portugal and all over the world.
- Jennifer has NHR status and billed 100,000 euros in 2025.
- She is very diligent and issues her clients Green Receipts from the e-Fatura portal.
- Jennifer works from home and meets with her clients via online meetings.
- She is in her 3rd Year of Activity.
- Jennifer has many business expenses and is very nervous about her tax affairs in Portugal.



EXAMPLE TWO

Life Coach Jennifer

Total Green Receipts for 2025 (excluding VAT)

*Issued through e-Fatura Portal

15% of Total Income (Green Receipts)
(required to be justified as business expenses)

Standard Social Security Rebate

Expenses justified & allocated on e-Fatura portal

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Total Taxable Income

Tax Payable on Taxable Income without
NHR High Value Activity

100.000,00 €

15.000,00 €

- 4.104,00 €

- 20.500,00 €

- €

75.000,00 €

- €

75.000,00 €

26.163,55 €

Jennifer needs to justify a minimum of 15% of her income (15,000 €) as verified business expenses through the e-Fatura Portal.

Every taxpayer automatically gets a social security expense rebate of 4,104 €.



EXAMPLE TWO

Life Coach Jennifer

Total Green Receipts for 2025 (excluding VAT)

*Issued through e-Fatura Portal

15% of Total Income (Green Receipts)
(required to be justified as business expenses)

Standard Social Security Rebate

Expenses justified & allocated on e-Fatura portal

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Taxable Income (75% of Green Receipts)

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Tax Payable on Taxable Income without
NHR High Value Activity

100.000,00 €

15.000,00 €

- 4.104,00 €

- 20.500,00 €

- €

75.000,00 €

75.000,00 €

26.163,55 €

Jennifer allocated all the invoices on her e-Fatura profile, and her business expenses totaled 20,500 €.

As a result she exceeded the business expense minimum requirement of 15% (15,000 €) of her income and therefore has no shortfall.

Since a life coach is not considered a high value activity under NHR she is taxed at the normal tax tables on 75% of her income.

EXAMPLE THREE

Swimming Instructor Tommy



- Tommy, is a swimming instructor and in 2025 he issued 25,000 euros worth of Green Receipts.
- Tommy does not have any expenses as he is an ambassador for Speedo swimwear and gets all his equipment for free.
- Tommy is generally in a good mood and always smiling.
- Tommy gets 50% of the amount charged by the gym for the swimming lessons. At the end of each month he generates a Green Receipt to the gym.



EXAMPLE THREE

Swimming Instructor Tommy

Total Green Receipts for 2025 (excluding VAT)

*Issued through e-Fatura Portal

15% of Total Income (Green Receipts)
(required to be justified as business expenses)

Standard Social Security Rebate

Expenses justified & allocated on e-Fatura portal

Shortfall - to be added to Taxable Income

Taxable Income (75% of Green Receipts)

Add **Shortfall** of Justified Business Expenses

Total Taxable Income

Tax Payable on Taxable Income without
NHR High Value Activity

25.000,00 €

Tommy issued 25,000 € worth of Green Receipts.

3.750,00 €

- 4.140,00 €

0 €

- €

18.750,00 €

- €

18.750,00 €

Tommy would need to justify business expenses 15% of 25,000 € which would be 3,750 €.

Tommy automatically receives a social security deduction of 4,104 € so he does not need to justify any further business expenses.

3.433,86 €

NHR: high value activities

If your registered Independent Activity is considered a ***"High Value Activity"***, then your tax rate will be a **flat rate of 20% on your taxable income**, as opposed to the standard rates indicated in this tax table for 2026 (see right).



Total Income (EUR)		Tax Rate (%)	Deductible Amount (EUR)
Over	Not Over		
0	8,342	12.50	0
8,342	12,587	15.70	266.94
12,587	17,838	21.20	959.26
17,838	23,089	24.10	1,476.45
23,089	29,397	31.10	3,092.77
29,397	43,090	34.90	4,209.94
43,090	46,566	43.10	7,743.27
46,566	86,634	44.60	8,441.48
86,634		48.00	11,387.17

EXAMPLE
ONEEXAMPLE
TWOEXAMPLE
THREE

Total Green Receipts for 2025 (excluding VAT)

*Issued through e-Fatura Portal

25.000,00 €

100.000,00 €

25.000,00 €

15% of Total Income (Green Receipts)
(required to be justified as business expenses)

15.000,00 €

15.000,00 €

3.750,00 €

Standard Social Security Rebate

- 4.104,00 €

- 4.104,00 €

- 4.104,00 €

Expenses justified & allocated on e-Fatura portal

- 1.500,00 €

- 20.500,00 €

0 €

Shortfall - to be added to Taxable Income

9.396,00 €

- €

- €

Taxable Income (75% of Green Receipts)

75.000,00 €

75.000,00 €

18.750,00 €

Add Shortfall of Justified Business Expenses

9.396,00 €

- €

- €

Total Taxable Income

84.396,00 €

75.000,00 €

18.750,00 €

NHR Implications

	Effective Tax Rate	Effective Tax Rate	Effective Tax Rate
Tax Payable on Taxable Income <u>with</u> NHR High Value Activity	16.879,20 € 17 %	15.000,00 € 15 %	3.750,00 € 15 %
Tax Payable on Taxable Income <u>without</u> NHR	30.673,63 € 31 %	26.163,55 € 26 %	3.433,86 € 14 %

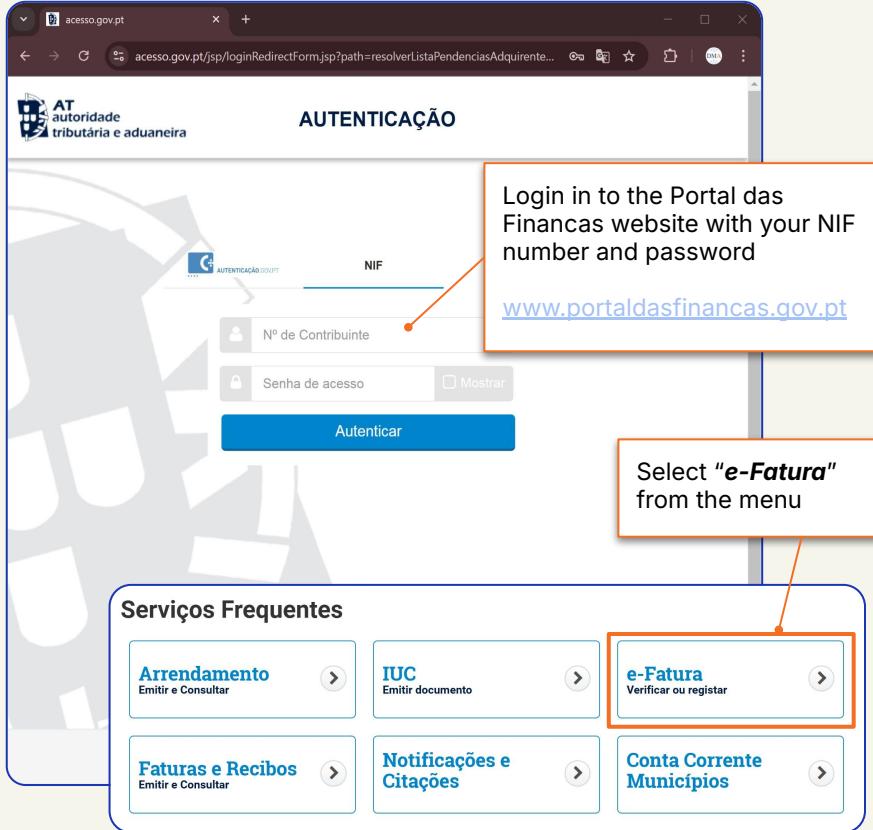
allocating invoices on the e-Fatura portal

A step-by-step guide



e-Fatura web browser

How to use the e-Fatura web portal to allocate expense invoices:



AUTENTICAÇÃO

NIF

Nº de Contribuinte

Senha de acesso Mostrar

Autenticar

Serviços Frequentes

Arrendamento

IUC

e-Fatura Verificar ou registrar

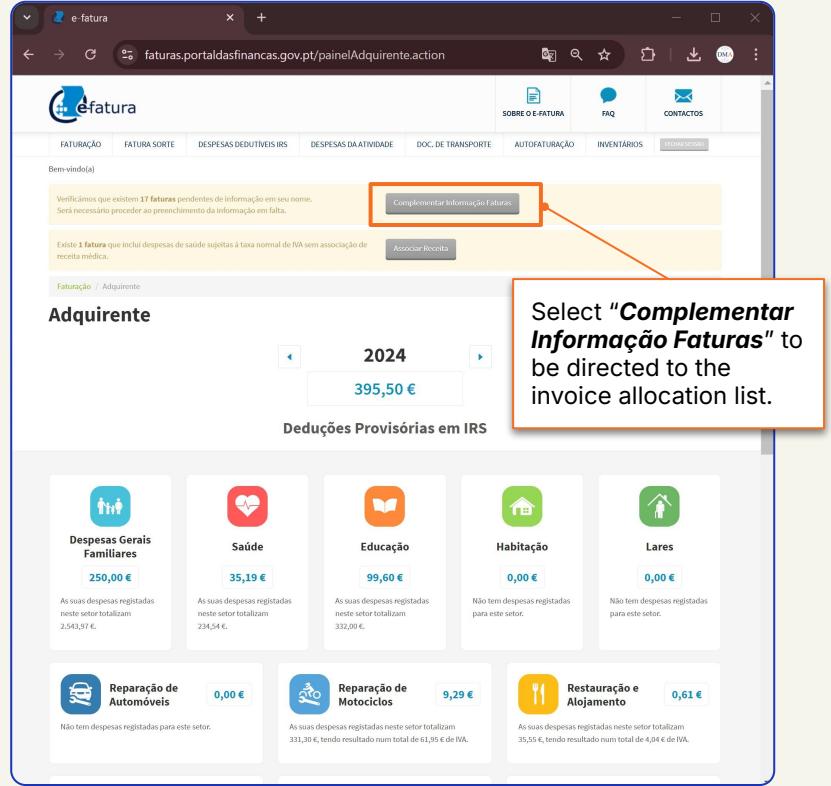
Faturas e Recibos

Notificações e Citações

Conta Corrente Municípios

Login in to the Portal das Finanças website with your NIF number and password
www.portaldasfinancas.gov.pt

Select "e-Fatura" from the menu



e-fatura

FATURAÇÃO FATURA SORTE DESPESAS DEDUTÍVEIS IRS DESPESAS DA ATIVIDADE DOC. DE TRANSPORTE AUTOFATURAÇÃO INVENTÁRIOS

Bem-vindo(a)

Verificam-se que existem 17 faturas pendentes de informação em seu nome. Será necessário proceder ao preenchimento da informação em falta.

Existe 1 fatura que inclui despesas de saúde sujeitas à taxa normal de IVA sem associação de receita médica.

Complementar Informação Faturas

Associar Receta

Adquirente

2024 395,50 €

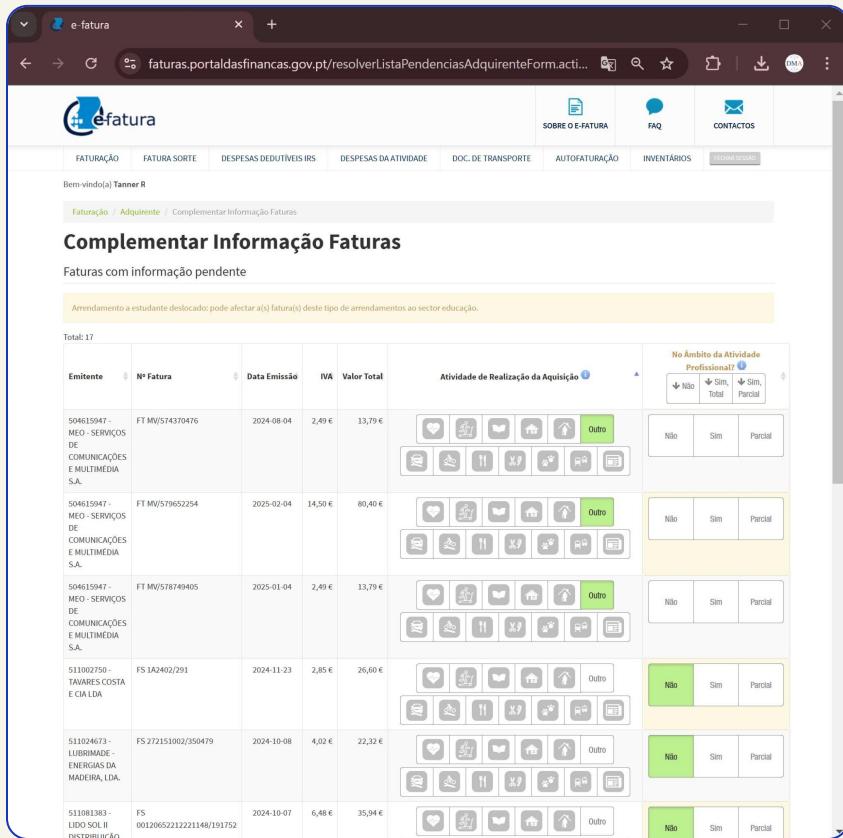
Deduções Provisórias em IRS

Setor	Valor	Detalhe
Despesas Gerais Familiares	250,00 €	As suas despesas registradas neste setor totalizam 2.543,97 €.
Saúde	35,19 €	As suas despesas registradas neste setor totalizam 234,54 €.
Educação	99,60 €	As suas despesas registradas neste setor totalizam 332,00 €.
Habitação	0,00 €	Não tem despesas registradas para este setor.
Lares	0,00 €	Não tem despesas registradas para este setor.
Reparação de Automóveis	0,00 €	Não tem despesas registradas para este setor.
Reparação de Motociclos	9,29 €	As suas despesas registradas neste setor totalizam 331,30 €, tendo resultado num total de 61,05 € de IVA.
Restauração e Alojamento	0,61 €	As suas despesas registradas neste setor totalizam 35,55 €, tendo resultado num total de 4,04 € de IVA.

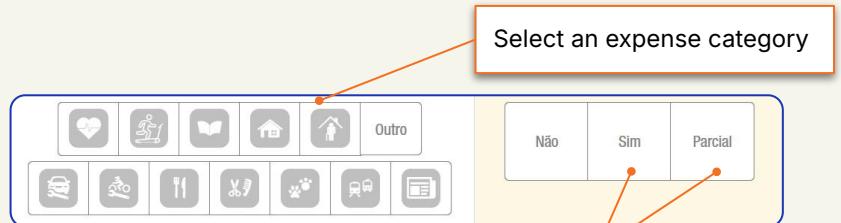
Select "Complementar Informação Faturas" to be directed to the invoice allocation list.

e-Fatura web browser

How to use the e-Fatura web portal to allocate expense invoices:



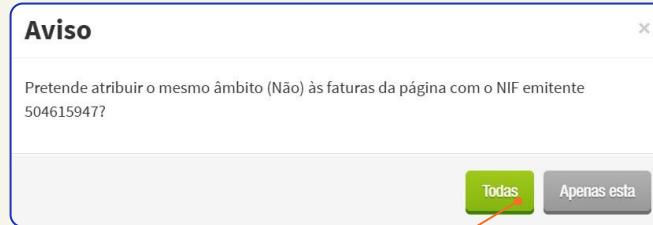
The screenshot shows the e-Fatura web browser interface. At the top, there are navigation links: FATURAÇÃO, FATURA SORTE, DESPESAS DEDUTÍVEIS IRS, DESPESAS DA ATIVIDADE, DOC. DE TRANSPORTE, AUTOFATURAÇÃO, and INVENTÁRIOS. Below this, a message says 'Bem-vindo(a) Tanner R' and 'Faturação / Adquirente / Complementar Informação Faturas'. The main area is titled 'Complementar Informação Faturas' and shows a table of invoices with columns: Total, Emitente, Nº Fatura, Data Emissão, IVA, Valor Total, Atividade de Realização da Aquisição (with a dropdown menu: 'No Âmbito da Atividade profissional?'), and buttons for Não, Sim, and Parcial. The table lists five invoices from different suppliers with their respective details.



If the invoice is a business expense, select "**Sim (Yes)**".

If the invoice is partially a personal expense and partially a business expense, then select "**Parcial (Partial)**".

A "partial business" expense automatically equates to 25% business and 75% personal.

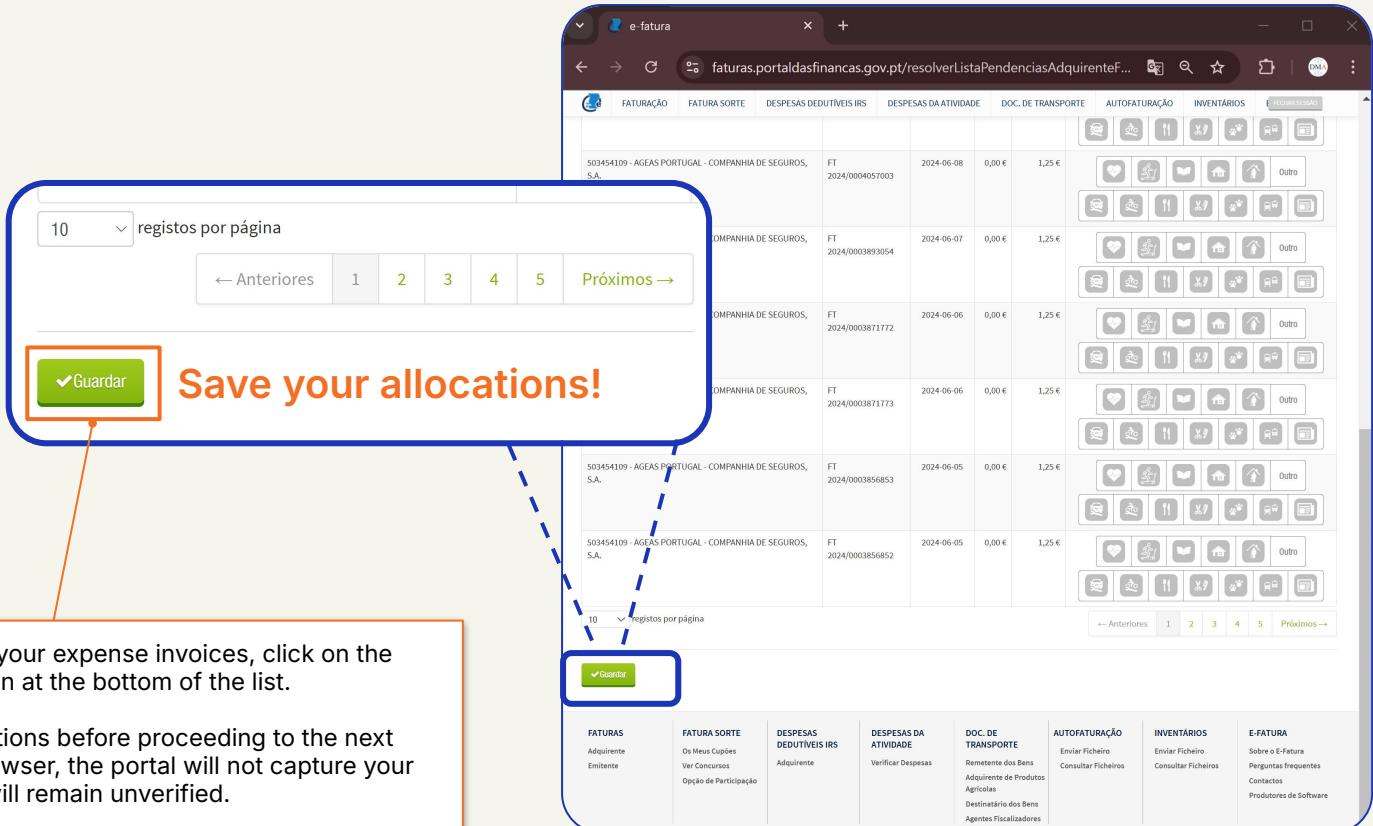


Click "**Todas (All)**" if you would like the system to apply your selected options to all the invoices from the same supplier.

This will make the invoice allocation process quicker and easier.

e-Fatura web browser

How to use the e-Fatura web portal to allocate expense invoices:



The screenshot shows a web browser window for the e-Fatura portal. The main content area displays a list of expense invoices with columns for 'FATURA', 'FATURA SORTE', 'DESPESAS DEDUTÍVEIS IRS', 'DESPESAS DA ATIVIDADE', 'DOC. DE TRANSPORTE', and 'AUTOFATURAÇÃO'. Each invoice row includes a set of icons representing different expense categories. Below the table, there is a navigation bar with buttons for 'Anteriores', page numbers (1, 2, 3, 4, 5), and 'Próximos'. A callout box highlights the 'Guardar' (Save) button at the bottom left of the table area. The text 'Save your allocations!' is overlaid on the callout. A dashed blue line connects this callout to another 'Guardar' button located at the bottom of the page, which is part of a larger navigation bar. The navigation bar also includes links for 'FATURAS', 'FATURA SORTE', 'DESPESAS DEDUTÍVEIS IRS', 'DESPESAS DA ATIVIDADE', 'DOC. DE TRANSPORTE', 'AUTOFATURAÇÃO', 'INVENTÁRIOS', and 'E-FATURA', along with their respective sub-links.

Save your allocations!

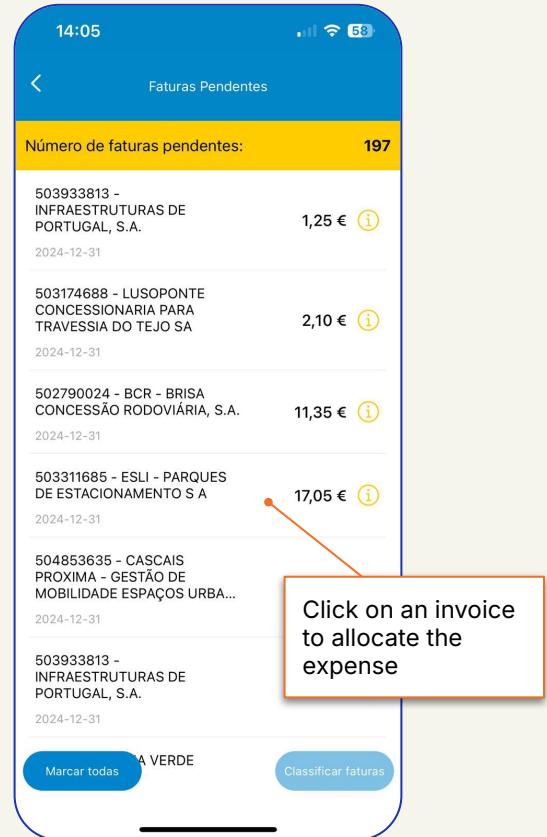
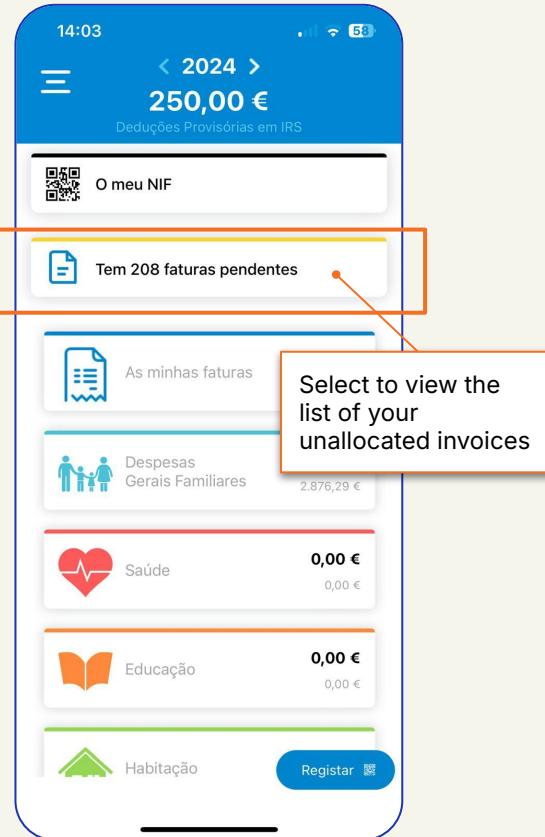
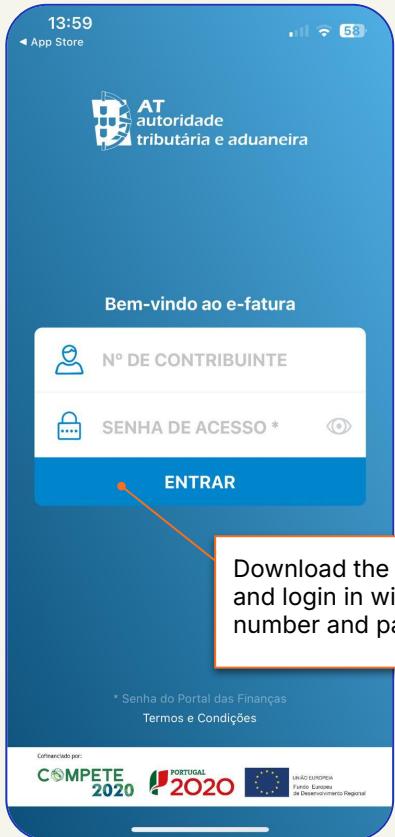
Important step

After allocating and verifying your expense invoices, click on the green "Guardar (Save)" button at the bottom of the list.

If you do not save your allocations before proceeding to the next page, or closing your web browser, the portal will not capture your allocations and the invoices will remain unverified.

e-Fatura mobile app

How to use the e-Fatura mobile app to allocate expense invoices:



e-Fatura mobile app

How to use the e-Fatura mobile app to allocate expense invoices:

The image consists of three screenshots of the e-Fatura mobile app, each with a callout box and an arrow pointing to a specific UI element.

Screenshot 1: Initial Classification Screen

Shows a list of pending invoices. A callout box points to the toggle switch for 'No âmbito da atividade profissional?' (Is the expense related to professional activity?).

Screenshot 2: Confirmation Screen

Shows a confirmation dialog asking if the user wants to apply selected options to all invoices from the same supplier. A callout box points to the 'Sim' (Yes) button.

Screenshot 3: Success Screen

Shows a summary of the classification process. A callout box points to the 'OK' button.

Annotations:

- Indicate if the expense is business related.** (Points to the toggle switch in Screenshot 1)
- If the invoice is partially a personal expense and partially a business expense, then select "Parcial (Partial)".** (Points to the 'Parcial' button in Screenshot 1)
- Click "Sim (Yes)" if you would like the system to apply your selected options to all the invoices from the same supplier.** (Points to the 'Sim' button in Screenshot 2)
- This will make the invoice allocation process quicker and easier.** (Points to the 'Sim' button in Screenshot 2)

e-Fatura expense categories

It is important to know what the e-Fatura symbols mean and what type of expenses they correspond to, so that you can take advantage of all possible deductions in your income tax return.



HEALTH CARE



GENERAL FAMILY



EDUCATION



RETIREMENT



RESTAURANTS & ACCOMMODATION



MOTOR VEHICLE
REPAIRS



MOTORCYCLE
REPAIRS



TRANSPORT
PASSES



GROOMING



VETERINARY
ACTIVITIES

If your expense does not fall into one of these predefined categories, you may select "other".



Frequently Asked Questions



FAQ

Is the 15% that I need to justify based on 100% of my Green Receipts Value or on 75%?

The 15% is based on 100% of your **TOTAL** Green Receipts issued (excluding any VAT if applicable).



FAQ

Is there a minimum amount of income where I don't need to justify business expenditure?

Yes, if your Activity Income is **less than 27,600 €**, you don't need to justify any business expenditure, ie. 4,140 € divided by 15%.



FAQ

Do I need to keep my actual expense invoices?

No, as long as they appear on the e-Fatura portal, you do not need to keep your invoices.



FAQ

Will these allocated business expenses be deducted off my taxable income?

No, this is merely to claim the full 25% deemed expenditure allowed under the Simplified Regime.



FAQ

Can I claim foreign expenses as business expenses?

Yes, however this will need to be done manually during the tax return submission. You may be requested to submit the original invoice for verification if asked by the tax authority.



FAQ

What happens if I do not reach the full 15% needed in business expenses?

Any shortfall will be added to the taxable income and taxed at either the general tax tables or the 20% High Value Tax Rate under NHR (if applicable). Refer to Example 1 of this guideline.



FAQ

Can I see the total value of my business expenses?

Yes, the e-Fatura portal allows you to sort according to "Full Business", "Partial Business" and "Personal".

Verificar Despesas Dedutíveis

Critérios de pesquisa

NIF Emitente	Data Início	Data Fim	Situação
<input type="text" value="NIF Emitente"/>	<input type="text" value="2025-01-01"/> 	<input type="text" value="2025-12-31"/> 	<input type="text"/>
Setor de Atividade	Tipo de Fatura		
<input type="text" value="Todos os setores"/>	<input type="text"/>		
<input type="button" value="Pesquisar"/>			
Resultados			



FAQ

Can I claim business expenses prior to the start date of the activity?

No, you can only use business expenses from the start date of the activity at the tax office.



FAQ

Can I claim rent as a business expense?

Yes, you can claim your rent as a business expense when you do the annual tax declaration submission.

Ensure that the landlord lists your NIF on the rent invoice.



FAQ

What types of expenses are considered to be allowable business expenses?

Every activity has its own schedule of acceptable expense parameters. You must be able to justify that the expense is essential to the operation of your business.

For example, a fashion model may claim a haircut as a business expense, but an accountant cannot justify a haircut is a requirement for doing their job.



FAQ

Can I stop allocating expenses once I have allocated and justified invoices to the value of 15% of my Green Receipt income?

Yes, you can stop. There is no further benefit to allocating business expenses above the 15% requirement.



FAQ

What if my income was lower than I budgeted, and my expenses exceeded 25% of my income?

Unfortunately, the 25% expense allocation is the maximum allowable expense deduction.

If you exceeded this expense allocation, and you anticipate that your business will continue to generate expenses greater than 25% of your income, then we suggest booking a consultation with us to review your business structure and decide if you should move to the Organised Tax Regime.



FAQ

If my business expenses exceeded the maximum 25% allowable deduction, can I carry over some expenses into the next financial year?

No, expenses can only be allocated in the year they are invoiced. Expenses cannot be carried over into the next year.



FAQ

What if I didn't manage to generate all my Green Receipts in the tax year?

You are required to generate Green Receipts within 6 days of having received the payment into your bank account.

You could be penalised for generating Green Receipts late.



Thank you

DMA
Tax: Accounting: Advisory

Get in touch with us via email if you have any questions:

info@dmatax.pt

Or book a consultation with us via our website:

dmatax.pt

Join us on social media for regular tax updates:

  #dma_tax

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