

Getting ready for Tax 2024 reporting:

In order to assist you with the anxiety that is involved in collating your information to hand over to us to prepare your 2024 Income Tax Return here are a few tips:

Determine what kind of income you earned in 2024 and from which country?

1. Rental Income Yes / No:

- a. If Yes, and your rental property is outside of Portugal please prepare an excel table with a breakdown of your Income and Expenses.
- b. If your Rental Income is from property owned in Portugal you need to ensure that your rental receipts have been issued on the tax portal.
- c. Any local property expenses need to be sent to us and must contain your NIF on the invoice.
 - i. Insight: Only repairs and maintenance expenses can be deducted, together with IMI (property taxes), body corporate levy, agents/management fees.
 - ii. Should your rental contract have expired during 2024 and you refunded your tenant the rental deposit please ensure you inform us of this fact as you can deduct this refund as a deductible expense.

2. Interest, Dividends, Capital Gains

- a. Normally your wealth manager/investment manager/financial institution will provide you with an annual certificate detailing the amount earned and any withholding tax applied.
- b. Should you have any capital gains arising from the sale of equities we will need a report detailing the date of purchase, cost price, date of sale and proceeds per each individual sale transaction.
 - i. We have developed a template which you can prepare yourself. Please contact your account manager to request a copy of this template.
- c. Please contact them to obtain this information.

3. Employment Income

- a. Your employer should provide you with an annual tax certificate detailing the amount of income, social security and tax paid. This document has different names, the most common are:
 - i. USA = W2
 - ii. UK=P60
 - iii. South Africa= IRP 5
 - iv. Portugal = Declaracao de Rendimentos
- b. If you have NHR and believe your employment income should benefit from the flat rate of 20% attributable to High Value Activities please notify your account manager.
- c. Please contact your employer and request this document

4. Retirement Income

- a. All retirement income is required to be disclosed in Portugal, whether it is taxable or not, this includes social security, pension, living annuity, life bonds, IRA's and Roth's (for our US citizens).
- b. Please contact your broker or financial institution and request the annual income certificate.

5. Freelance Income/ Independent Contractor/Sole Proprietor

- a. In Portugal the above all mean the same and are subject to tax the same. In Portugal this income is called income from an Independent Activity and irrespective if your clients are in Portugal, in the European Union or outside the European Union you have to follow the laws applicable to Independent Contractors in Portugal.
- b. We only report your income and you **are not** eligible to any deductions, please prepare a schedule with your income from your independent activity per country where your client is located.
- c. Should you have registered an activity and issued green receipts then we do not require this.

6. Marital Status

Please inform us should there have been a change in your marital status or family unit.

7. Foreign bank /investment accounts

In Portugal you are required to list all foreign bank & investment accounts and associated SWIFT codes. Please prepare a schedule of all your foreign investment & bank accounts.

For the purpose of clarity foreign means any account registered outside of Portugal.

8. Foreign Tax Returns

Should you have filed a foreign tax return please provide us with a copy. As at the 1st April 2025 you may not yet have filed your foreign tax return, if this is the case we recommend you request an extension to file your Portuguese tax return. This option will be available when we send out our engagement forms.