

"Accelerate the Economy Programme": Reduction of corporate income tax and more tax incentives to attract talent, internationalisation and promotion of concentration operations

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The government approved today the "Accelerate the Economy Programme" during the Council of Ministers meeting, comprising 60 initiatives targeted at addressing 20 challenges. This includes key fiscal policy actions designed to enhance the global tax competitiveness of Portugal's economy and businesses and to draw foreign investment, capital, and skilled professionals:

Companies

- Gradual reduction (2% per year) of corporate income tax to 15% (until 2027);
- In the case of small or medium-sized companies and small-medium capitalization companies (Small Mid Cap), this gradual reduction will be accelerated (until 2026) from 17% to 12.5% (applied to the first 50.000 euros of taxable income);
- Widening access to the participation exemption regime by reducing the minimum holding from 10% to just 5% (for a minimum 1 year);
- Increased deductibility of financing costs incurred in restructure operations;
- Expansion of the operations covered by the goodwill tax deductibility regime.

Investors and new tax residents

- Creation of an IRS tax credit for capital gains and dividends obtained by individuals who have funded Portuguese companies in eligible capitalization operations;
- Expansion of the professions list and business activities eligible under the new regime for attracting talent from abroad (so-called "New Impatriate regime" or "NHR 2.0", which replaced as from January 1st, 2024 the Non-Habitual Resident regime abolished on December 31st, 2023).

The measures presented will be legislated by the government and/or the Portuguese Parliament by the end of 2024.

See the full "Accelerating the Economy Programme" [here](#) (only in PT Version).

Thinking about tomorrow? Let's talk today.

Nuno Cunha Barnabé - Partner
nuno.c.barnabe@abreuadvogados.com