

October 30, 2015
2015-130

**Portugal – New Form
Issued and Approved for
Requesting PIT Filing
Extensions**

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flash Alert

A Publication for Global Mobility and Tax Professionals by KPMG's Global Mobility Services Practice

Portugal has issued an approved form ("Modelo 49") to be used when filing a request for an extension of the tax return filing deadline.¹

Portugal's Income Tax Reform, which came into force on January 1, 2015, introduced to certain eligible individual taxpayers the possibility of extending the deadline for filing their personal income tax (PIT) returns to December 31 of the year to which the filing obligation relates.

Why This Matters

Prior to this extension being available, it was increasingly difficult and burdensome for taxpayers to submit PIT returns that reflected accurate figures and computations with respect to foreign taxes paid abroad. Including factual foreign tax payment amounts was not always possible given the timing of Portugal's original filing due date, as many countries have filing deadlines that are later than the original Portuguese filing deadline.

With the issuance of the Modelo 49, individual taxpayers are now able to request an extension of time to file their PIT returns, which will allow for: (i) more time to request the tax credit (for foreign taxes paid) when filing their Portuguese PIT returns and (ii) the return to include more accurate calculations while remaining compliant with the completion and submission of those returns.

This extension should facilitate returns reflecting more accurate figures in respect of any taxes paid abroad and thereby potentially mitigate having to file amended tax returns or filing of tax claims.

Ministerial Order 372/015

Ministerial Order No. 372/2015 ratified form Modelo 49 through which eligible taxpayers (those who are entitled to a tax credit on their foreign source income) need to request the extension of the deadline for filing their PIT returns.

Regular Filing Deadline

As of January 1, 2015, the regular deadlines for filing (either in paper format or electronically) of annual PIT returns are:

- from March 15 until April 15 – when only employment income and/or pensions are received;
- from April 16 until May 16 – when other types of income are received.

Extended Filing Deadline: Who Is Eligible and How to Apply

By completing and submitting the new form, taxpayers may now request an extension of the deadline for the filing of the Portuguese tax return up to December 31.

However, the deadline extension applies only in situations where the taxpayer is entitled to a tax credit in Portugal that serves to eliminate double taxation on his foreign source income received. Further, the extended filing deadline will only be allowed in cases when there is insufficient time to properly calculate and account for paying the foreign tax on the current year's Portuguese return – usually due to the “mis-timing” and inability of determining a foreign tax liability in another country by the original filing deadline for the Portuguese PIT return.

In order to apply for this filing extension, the taxpayer must formally communicate his situation to the Portuguese tax authorities (Autoridade tributária e aduaneira) by means of filing Modelo 49. This is to be done online through the Portuguese tax authorities' Web site, within the timeframe of the regular deadlines for filing PIT returns as noted above.

On this form, the taxpayer is required to indicate: (i) who is the income's beneficiary, (ii) the nature/type of income received abroad, and (iii) the respective country of its source.

Footnote:

1 See the Ministerial Order n.º 372/2015 de 20 de Outubro (in Portuguese) published in Portugal's official gazette, *Diário da República*, at:

<https://dre.pt/application/file/a/70722523>

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