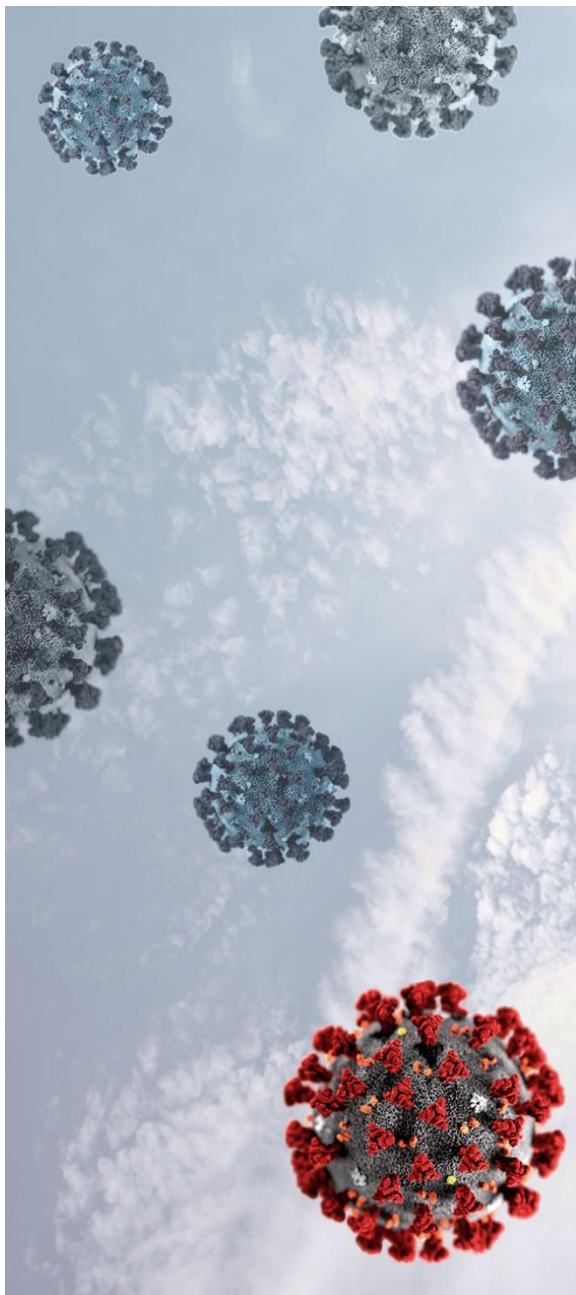

COVID-19: New tax support for SMEs and cooperatives

Newsletter | Portugal

August 6, 2020



- > **Law 29/2020 of July 31, establishing the new tax support measures for cooperatives and micro, small and mid-size companies within the context of COVID-19**



Tax support measures for SMEs and cooperatives within the context of COVID-19

Following the measures approved by the government in response to the COVID-19 epidemiological situation, new tax support measures for cooperatives and micro, small and mid-size companies were recently approved under Law 29/2020 of July 31, as specified in article 2 of the annex to Decree-Law 372/2007 of November 6, in connection with corporate tax, value added tax and personal income tax.

I. Temporary suspension of corporate tax payments on account

Organizations classified as cooperatives or SMEs are not required to make corporate tax payments on account.

Those that intend to make such payments may do so under the terms and within the deadlines provided by law and by Decree 104/2020 - XXII of the Secretary of State for Tax Affairs.

II. Temporary suspension and early reimbursement of special unused corporate tax payments on account

Organizations classified as cooperatives or SMEs are not required to make special corporation tax payments on account.

During 2020, they may apply for full reimbursement of the portion of the special payment on account that was not deducted until 2019 and are not required to comply with the general 90-day term set out in article 93, item 3 of the Corporate Tax Code (*Código do IRC*).

III. Maximum term to reimburse VAT, corporate tax and personal income tax

Where the tax deducted at source on payments on account or VAT settlements is greater than the tax payable, reimbursement must take place within 15 days after the taxpayer has submitted VAT, corporate tax and personal income tax returns.

IV. Validity

The above measures are effective August 1, 2020 and expire at the end of the year in which the exceptional and temporary measures implemented in response to the COVID-19 pandemic are lifted.



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Cuatrecasas has set up a Coronavirus Task Force, a multidisciplinary team that constantly analyses the situation emerging from the COVID-19 pandemic. For additional information, please contact our Task Force by email TFcoronavirusPT@cuatrecasas.com or through your usual contact at Cuatrecasas. You can read our publications or attend our webinars on our [website](#).

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