

TAX CHANGES IN SPAIN. HELLO PORTUGAL!

In this article we will highlight a change made by the Spanish government last September, in which it announced a **new wealth tax**. This **wealth tax will apply in 2023 and 2024 to tax residents in Spain**. It will apply to all tax residents who have a wealth of more than 3 million euros, and is known as the so-called Solidarity Tax on Large Estates.

Many Spanish tax residents who have "more possibilities" and who become subject to this tax may see in our country, Portugal, a good opportunity, both because of its geographical location, due to the proximity of the two countries, and because of the tax advantages that Portugal offers.

In Portugal, there is no general tax on wealth, nor on family inheritance and gifts.

This is a very important point that increases the attractiveness of Portugal as a prime destination, as there is no inheritance or gift tax in Portugal on assets that are not located in Portugal (e.g. financial portfolio, properties, cash, etc.).

At a certain point, France also started to tax fortunes, and the French considered Portugal an attractive country because of its geographical location and tax advantages.

Portugal, through its tax policy, is known to have one of the most competitive tax regimes for non-residents. In addition to being a country of the European Union, it has in force an extensive Double Taxation Convention concluded.

A non-resident has the possibility to obtain Non-Habitual Resident status. This regime is the reason why many foreigners want to come to Portugal, because they see in Portugal an opportunity to establish their tax residence, obtaining the advantages foreseen in this regime.

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