

## Capital Gains Tax

Written by Administrator

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In Portugal, gains realised on capital are treated as income for tax purposes, as there is no special or separate capital gains tax.

For individuals there is a sliding scale of income tax from 15% to 40%, although full exemption is given on a property-related capital gain, provided that it is the normal home of the taxpayer and that proceeds from the sale are re-invested in another home within two financial years from the date of sale.

Flat rate for non-residents: 25%

Capital gains tax may be due and it is advisable to contact your local tax office to find out what you will be expected to pay. It may be prudent to contact a tax advisor if you are a UK resident for tax purposes, as Portugal and UK have an agreement to avoid capital gains tax being paid twice.

Inheritance tax has been abolished in Portugal.

There is still a 10% stamp duty charge on transfer of assets.

Gifts or donations to a spouse, children, parents or grandparents are exempt.

There are no legal restrictions on the movement of funds relating from the sale of a property.

We would advise that in all matters regarding property, you contact a legal advisor, and of course we will be there to help at all times.

Please contact us for further information on selling your property including market assessment and recommendations for Lawyers, Accountants and Surveyors.

If you are looking to buy a luxury property in Algarve at a reduced price we can help. Just [se  
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and let us know your requirements about the property you are looking for.