

**REAL ESTATE AND TOURISM**

# Rent update coefficient and extraordinary lease support

**RENT UPDATE COEFFICIENT FOR 2023**

Law no. 19/2022 was published in *Diário da República* (Official Journal) on 21 October 2022 and, among other measures, it establishes the rent update coefficient for the calendar year of 2023.

During the next year, the annual update coefficient for rents of the several types of leases, both urban and rural, established in article 24 of Law no. 6/2006 of 27 February, which approved the New Urban Lease Regime (NRAU), will not apply. Conversely, the coefficient of 1.02 (2%) will apply, unless otherwise stipulated by the parties.

This coefficient of 1.02 is also applicable to agreements that establish updates pursuant to the legal coefficient set out in NRAU or in the respective order published in *Diário da República*.

**During the next year, the annual update coefficient for rents of the several types of leases, both urban and rural, established in the New Urban Lease Regime. Conversely, the coefficient of 1.02 (2%) will apply.**

**EXTRAORDINARY LEASE SUPPORT**

This Law also establishes an extraordinary support for the taxation of rental income deriving from lease agreements earned in 2023. Therefore, for **Personal Income Tax (PIT)** purposes, the assessment of the rental income deriving from lease agreements falling under category F, to which the rates set out in article 68(1) or in article 72(1) of the PIT Code are applicable, is obtained by applying a **coefficient of 0.91** following the legal deductions established in article 41 of the same Code.

**This provision will not apply to CIT taxpayers covered by the simplified regime for determining the taxable amount.**

As to income to which one of the special rates set out in Article 72(2) to (5) of the PIT Code applies, the support coefficients detailed in the following table are applicable:

SPECIAL APPLICABLE RATE	26%	24%	23%	22%	20%	18%	16%	14%	10%
SUPPORT COEFFICIENT	0.9	0.89	0.89	0.88	0.87	0.85	0.82	0.79	0.7

As for **Corporate Income Tax (CIT)**, the assessment of taxable income from rent to which the rates set out in article 87 of the CIT Code apply is obtained by applying the **coefficient of 0.87**. However, this provision **will not apply** to CIT taxpayers covered by the simplified regime for determining the taxable amount.

Lastly, these extraordinary support coefficients will only apply to rent which, cumulatively:

- Falls due and is paid in 2023; and
- Results from lease agreements that were in force before 1 January 2022 and were communicated to the Tax and Customs Authority as set out in article 60 of the Stamp Duty Tax Code, when applicable; and
- Are not related to agreements which are subject to updating at a higher value than that which results from the application of the update coefficient of 1.02. ■