

IN 2 MINUTES

Measures for the 2023 State Budget

The month of October is synonymous with projection, and this year, it is no exception!

This is how we have decided to address some of the measures in the OE 2023 Proposal, which from our point of view could affect businesses as early as next year.

To understand the appropriate implications, we propose to look at the scenario of Mr. Henrique's company in 2023:

- Gets a tax before result of 75 000,00 €;
- In 2023 it acquired an exclusively electric car, with a purchase cost of 65 000,00 €;
- It has accumulated losses from previous years of 53 500,00 €.

Reduced IRC rate for PMEs

1

The reduced rate of 17% will be increased to the first 50.000,00 € of tax base, instead of the current value of 25.000,00 €.

We used the base value of 75.000,00 € to visualize the differences!

	2022	2023
Rate 17%	4 250,00 €	8 500,00 €
Rate 21%	10 500,00 €	5 250,00 €
IRC to pay	14 750,00 €	13 750,00 €



Autonomous taxation of 10% on electric vehicles

2

Electric vehicles, with a purchase cost of more than 62 000,00 €, will no longer be exempt from the payment of autonomous taxation.

To that end, we considered the value of the 65 000,00 € of Mr. Henrique's car.

Expenses subject to A.T.	2022	2023
Depreciation (Accepted and Not Accepted)	16 250,00 €	16 250,00 €
Car insurance	850,00 €	850,00 €
Conservation, supply and other charges	2 500,00 €	2 500,00 €
Total	19 600,00 €	19 600,00 €
Amount payable from autonomous taxation	- €	1 960,00 €



Tax losses are without a limit period of deduction

3

Tax losses will no longer have a time limit to be deducted, although the deduction limit has fallen to 65%. (Currently the deduction period is 12 years for PMEs, with a limit of 70% of the taxable profit.)

Let's do the maths?!

Tax assessment - Year 2023

	2022	2023
Profit Subject to Tax (Includes N/ Accepted Depreciation)	75 625,00 €	75 625,00 €
Deduction of tax losses	52 937,50 €	49 156,25 €
Collectable Matter	22 687,50 €	26 468,75 €
Collection	3 856,88 €	4 499,69 €
Autonomous Taxation	- €	1 960,00 €
IRC payable	3 856,88 €	6 459,69 €



Looking at the case of Mr. Henrique's company, we quickly realized that there is no good news for next year. The state budget proposal for 2023 will make Mr. Henrique **pay an additional 2 602,81 € of tax** on his company's profits, compared to what happens today.

We are talking about a **tax increase payable, 67%** compared to what we would have this year.

And you, have you done your calculations?