

IN 2 MINUTES

IRS Consignment

Did you know that by consigning 0.5% of your IRS to an institution of your choice, it does not affect the amount of your refund or amount payable?

You have certainly heard of consigning a certain part of your income tax to an institution. You may have wondered whether by doing so, whether to charities, charities, foundations or associations, you would be giving up a certain amount of money for the greater good.

The truth is that you can do it at no cost!

How does consignment work?

The IRS consignment allows you to donate 0.5% of your IRS to an institution. To do this, the institution must be included in a list authorised by the tax authorities.

See what happens with Andreia's case:

Andreia in the year 2022, had a settled IRS of 16,550 euros, and obtained a refund amount of 1,465 euros.

In this case, 0.5% of the 16,550 Euros, or 82.75 Euros, will be the amount that the selected institution will receive. On the other hand, the State will no longer receive the full 16,550 of IRS paid, and will only receive the difference, i.e. 16,467.25 euros.

The difference seems insignificant when we look at each particular case, however, the savings are much greater if we consider all the cases!

NO CONSIGNMENT	
IRS settled	16.550,00 €
Reimbursement	1.465,00 €
Amount received	1.465,00 €

WITH CONSIGNMENT	
IRS settled	16.550,00 €
Reimbursement	1.465,00 €
Consignment 0,5%	82,75 €
Amount received	1.465,00 €

In both cases, the amount of your refund or the amount payable remains the same!

Who does not consign, what happens?

In this scenario, that is, if Andreia does not choose to make the 0,5% consignment in her IRS declaration, the State will keep the total amount of her IRS liquidated, not affecting the amount she will receive.

I want to consign, what should I do?

At this time, after the March 31 deadline, you will only have to tell us the **NIF of the institution you want to donate** and we will fill in your IRS statement respectively.

We learned, given the two cases presented, that to consign part of our IRS is to channel a value for something we choose, instead of not choosing and leaving the value of the tax entirely to the State.

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Note: This information is only of general nature, its reading does not exempt the consultation of the legislation in force. In case of any discrepancy between the version in English and the version in Portuguese, the later shall prevail.