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# Taxation of Entertainers and Sportspersons Performing Abroad

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**IBFD**

## Chapter 22

### Portugal

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#### 22.1. Taxation of entertainers and sportspersons under domestic law

##### 22.1.1. Overview on taxation of sportspersons under domestic law

###### 22.1.1.1. Domestic rules applicable to resident sportspersons and entertainers

###### 22.1.1.1.1. *Individuals*

###### 22.1.1.1.1.1. General rules

Entertainers and sportspersons resident in Portugal for tax purposes are liable to personal income tax (PIT) pursuant to the general rule of taxation of worldwide income applicable to all resident individuals.

The Personal Income Tax Code (PITC) foresees different schedules of income subject to tax, according to the nature of the income,<sup>2</sup> and entails specific deductions for each schedule in order to determine the amount of taxable income. Income obtained directly by entertainers and sportspersons in connection with their activities may qualify as employment income or as professional income depending on the nature of the contractual relationship agreed upon with the paying entity. The PIT is computed on the aggregated taxable income derived from the applicable schedules and subject to tax at progressive tax rates, ranging currently from 14.5% to 56.5%.<sup>3</sup> General

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2. The schedules established in the PITC are: Schedule A (employment income), Schedule B (business and professional income), Schedule E (investment income), Schedule F (rental income), Schedule G (capital gains) and Schedule H (pensions).

3. The highest marginal rate goes up to 48% for income higher than EUR 80,000. An extraordinary PIT surtax is levied at a rate of 3.5% on all taxpayers that receive monthly