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**PORTUGAL**

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**Taxpayer Finally Receives Refund  
On 1996 Tax Return****by William Hoke**

Taxpayers frequently complain about delayed refunds, but a Portuguese company has waited over two decades for its money. It finally got paid December 7 but will have to wait somewhat longer for the interest.

Joaquim Pedro Lampreia, a tax lawyer for Viera de Almeida, represents a taxpayer that challenged a 1996 assessment for €1.1 million made against its 1992 corporate tax return. Lampreia said the company is a conglomerate operating in the forest products and industrial sector and doesn't want its name to be disclosed.

The company paid the assessment, which it then protested. The taxpayer's administrative-level challenge, which continued until 2002, was unsuccessful, and it filed a court appeal the following year. The original judicial decision on the case was handed down in 2011, only to be overturned in 2012 on procedural grounds. On remand, the lower court again decided against the company. In 2016 the Central Administrative Court South ruled in the taxpayer's favor (07519/14, August 2, 2016.)

The company's long battle for a refund was profiled in a December 3 article in the *Jornal de Negocios*, a Portuguese newspaper. Lampreia told *Tax Notes* during a phone interview December 7 that his client had just received a refund for the tax payment. "It was probably due to the news report," he said. "Somebody in hierarchy must have shouted the order. I don't think it was a coincidence."

Lampreia said the refund was most recently accruing interest at a rate of 12 percent a year, bringing the total to more than €1.3 million. He said he expects the interest to be paid in the next few days or weeks.

While administrative claims are now typically resolved within six months to a year, once a tax case enters the courts, things get bogged down for years and even decades, Lampreia said. He attributed the problem to understaffing in a court system with too few tax judges and too few tax courts.

“Litigation has increased exponentially since 2002-2003, when the tax authority started to get much more aggressive and taxpayers countered by filing claims in court,” Lampreia said. “But there was no investment in those courts by the successive governments, so we have been facing this situation for many years now, and it’s very embarrassing from our point of view because we have clients and foreign investors who find it puzzling, to say the least, the amount of time it takes.” ■