



NEWS, LATEST, CURRENT TOPICS

REPEAL OF THE EXTRAORDINARY CONTRIBUTION ON LOCAL ACCOMMODATION/SHORT TERM RENTALS (CEAL)

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On 11th September 2024, Decree-Law no. 57/2024, of 10 September, came into force, repealing the extraordinary contribution on local accommodation (CEAL) and setting the coefficient applicable to local accommodation establishments for the purposes of assessing council tax (IMI).

The CEAL was approved in October 2023, under the Mais Habitação (More Housing) Programme, and consisted of a flat rate of 15%, to be paid annually, which would be levied on a variable tax base, consisting of the application of a formula based on factors such as the “urban pressure coefficient” and the area of residential properties.

This measure would apply to local accommodation/short term rentals (AL) operating in residential properties, with an emphasis on coastal areas. ALs located in inland areas and parishes that cumulatively fulfil the following requirements would be excluded from CEAL:

1. Adequate balance of housing supply and student accommodation in the municipality;
2. Municipalities in which a housing shortage has not been declared;
3. as Areas without an urban pressure zone.

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In addition, exemption from paying CEAL was also provided for in the following situations:

1. In residential properties that do not constitute units/apartments;
2. Local accommodation units in houses used as a main residence, as long as the rental periods did not exceed 120 days per year.

However, the current government maintained that the measures created by the Mais Habitação Programme restrict property rights and private economic initiative, which is why they approved this revocation, with retroactive effect from 31 December 2023. With this measure, the government, in compliance with its programme, is repealing measures that it believes are penalising AL in the country, including the extraordinary contribution on local accommodation.

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