US Individuals Moving to Portugal: Portuguese Tax Considerations You Need to Consider

To ensure a seamless transition, it is important individuals consider the tax implications before moving to Portugal.

By **Catarina Sardinha**, 6th January 2026

Portugal's allure is undeniable, offering a pleasant climate, affordable living, high safety standards, a rich cultural heritage, and a warm community, making it a perfect place for a fresh start.

However, to ensure a seamless transition, it is important individuals consider the tax implications before moving to Portugal. Tax compliance not only provides peace of mind but is a necessity.

Portugal's residency-based tax system means residents are taxed on their global income. This requires filing tax returns in both the US and Portugal. Below we have summarised several key considerations for US citizens requiring tax assistance in order to meet their tax obligations in Portugal.

Who is Required to Pay Taxes in Portugal?

Tax residents in Portugal will be required to pay tax on any income earned in Portugal.

Portuguese tax residents are required to file a tax return, regardless of source of amount. This includes:

- Employment income,

- Self-employed income,
- Dividend, interest or capital gains earned,
- Rental income,
- Pension income.

The Portugal tax rate will be driven by the source and/or value.

Who is a Tax Resident in Portugal?

If you spend more than 183 days in Portugal in a year, or if you have a home in Portugal that you intend to live in, you are considered a tax resident in Portugal.

Tax Deadlines and Tax Year-End

The Portugal tax year runs from 1 January to 31 December. Tax returns must be filed by 30 June of the following year, and if tax is owed, it must be paid by 31 August.

Agreements between the US and Portugal

A Double Taxation Agreement does exist which allows prevention of double taxation on specific income sources in Portugal and the USA. Further, a Totalization Agreement also exists – which prevents expats from paying duplicate social security contributions in both countries. A tax adviser will be able to confirm the treatment tailored to a client's specific circumstances.

Other Tax Considerations for US Citizens

Each client has a unique tax situation, and below is a list of taxes and social security considerations that may be applicable. It is important to consult with a tax adviser, and to ensure the general information included within the links below is not taken as advice.

- Personal Tax in Portugal
- Self-Employed Tax in Portugal
- Social Security Contributions in Portugal
- Inheritance and Gifts Tax in Portugal
- NHR – Tax Break for Individuals in Portugal
- Property Tax in Portugal
- Portugal's Crypto Tax
- Various Tax Breaks for Individuals in Portugal
- Understanding Double Tax Agreements

Other: Non-Resident Income Tax in Portugal

Although this article is focussed on Portuguese tax residents, US individuals who are non-resident in Portugal for tax purposes, and who earn Portuguese sourced income, are taxed at a flat rate of 0%, 25%, or 28%. More information can be found here regarding capital gains and rental income for non-residents.

Reach Out for More Information

Dixcart Portugal provide support to international expats from around the world to ensure compliance with accounting and tax, providing clients with peace of mind.

We also provide assistance for clients relocating, and individuals considering the appropriate Portuguese visa option for them – see further reading available here. Please feel free to get in touch: advice.portugal@dixcart.com.