

Financing adult learning database

Name of the instrument - Local language	Despesas de educação e formação
Name of the instrument - English translation	Education and Professional Training Expenses
Scheme ID	178
Country	 Portugal
Reporting year	2020
Type of instrument	Tax incentive for individuals
Sub-type of instrument	Tax support for families and their costs for education
Type of entry	Single instrument

Short description	<p>A family unit (persons living together, usually family, who present joint personal income tax declarations) may deduct up to 30% of their education and training expenses from their personal income tax up to a maximum of EUR 800 for a given aggregate. The scheme covers expenses in early childhood education and care, schools, and other educational institutions and services, corresponding to any education level when provided by institutions from the national education system or other institutions recognised by relevant Ministries including entities providing vocational education and training. All types of learning content are eligible (formal and non-formal education courses, general courses, occupational courses, etc.). Eligible costs include tuition fees/fees for participation (external providers), costs for training materials (e.g. books), accommodation costs, meal costs, or daily allowance for subsistence or child care costs (during participation). Individuals with no taxable income (an annual gross salary below EUR 4 104) cannot profit from the tax deduction. The tax incentive can be used once in each calendar year.</p>
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Level of operation	National
Name of a part of the country	Not applicable
Name of the region (for regional instruments)	Not applicable

Name of the sector (for sectoral instruments)	Not applicable
Relevance	Key instrument
Legal basis	Decreto-lei 442-A/88 de 30 novembro (Decree-Law 442-A/88, of 30th November)
Objective(s) and target(s)	- Contribute to the investment of households in initial and continuous training and learning. - Provide a financial incentive to households interested in investing in education, training and qualification. - Contribute to the qualification of the Portuguese.
Year of implementation	1989
Year of latest amendment	2020
Operation/management	The Ministério das Finanças do Governo Português (Ministry of Finances of the Portuguese Government) is responsible for defining the law and procedures. The Autoridade Tributária e Aduaneira - Ministério das Finanças (Tributary and Customs Authority - Ministry of Finance) is responsible for ensuring the tax collection, perform tax inspection, preventing and fighting tax fraud and evasion; inform individuals about their tax obligations and support them in compliance.
Eligible group(s)	The incentive is applied to all taxpayers and the deduction is made per household.
Group(s) with preferential treatment	No preferential treatment
Education and training eligible	The scheme covers expenses in early childhood education and care, schools and other educational institutions and services, corresponding to any education level when provided by institutions from the national education system or other institutions recognised by relevant Ministries including entities providing vocational education and training. All types of learning content are eligible (formal and non-formal education courses, general courses, occupational courses...).
Source of financing and collection mechanism	State (via loss of tax revenue)
Financing formula and allocation mechanisms	The expenses are linked to the household. A household can deduct expenses up to 30% of their education and training expenses from their personal income tax, up to a maximum of 800 in each civil year (tax allowance).
Eligible costs	Eligible costs are as follows: Tuition fees/fees for participation (external providers), costs for training materials (e.g. books), accommodation costs, meal costs or daily allowance for subsistence, and child care costs (during participation).
Volumes of funding	2016: EUR 257 272 304 2017: EUR 275 466 73 2018: EUR 280 670 886

Beneficiaries/take up	Beneficiaries (number of households): 2016: 968 699 2017: 1 018 834 2018: 1 051 283
Organisation responsible for monitoring/evaluation	Autoridade Tributária e Aduaneira - Ministério das Finanças (Tributary and Customs Authority -Ministry of Finance)
Most relevant webpage - in English	Not available
Most relevant webpage - local language	https://info.portaldasfinancas.gov.pt/pt/informacao_fiscal/codigos_trib...
Recent changes	<p>Lei n.º 48/2020, de 24 de agosto (Law n. 48/2020, of 24th of August). The amendment relates to the alternative income tax regime (of the Personal Income Tax Code), also mentioned in the Lei n.º 119/2019, de 18 de setembro (Law number 119/2018, of 18th of September). There is no information on the rationale for the changes in the changes on Education and Professional Training Expenses.</p> <p>Recent changes in response to COVID-19</p> <p>No changes</p>
Sources	<p>Ministério das Finanças</p> <hr/> <p>ASSEMBLEIA DA REPÚBLICA</p> <hr/> <p>Autoridade Tributária e Aduaneira</p>