

CHAPTER 9

Tax Law

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SUMMARY: 1. History 2. Sources of tax law 3. Interpretation of tax law 4. Basic structure of Portuguese tax system 5. Conclusions

1. History

Whilst it would be anachronistic to apply the umbrella term “tax” to all the different types of obligations or compulsory unrequited payments imposed by the crown in the Middle Ages, there are specific payments that may be qualified as such [for instance *as terças* (levied by the town halls for the purpose of building fortifications), *as dízimas* (customs duties), or *as portagens*, *alcaidarias*, etc. (consumption taxes)]. Following the restoration of the Portuguese monarchy in 1640 (i.e. the reconquest of independence following Spain’s occupation of Portugal between 1580-1640, which also intensified the taxes borne by all social classes), Portugal adopted a tax that may be characterized as a global income tax (*a décima militar*) in which the principle of equality already played an important role.

The liberalism period (19th century – in particular after 1832) and the Republic, founded in 1910, were also responsible for significant tax reforms, reflecting new ideas and serving as instruments to transform economic and social structures.