

JURISPRUDENCE

JUNE, 2024

CHANGES TO THE IMT EXEMPTION

Building plots acquired for resale on which houses are built from scratch and then sold are not exempt from IMT. The Central Administrative Court for the South ruled that this is a substantial alteration to the property, which means that the exemption from IMT expires.

Judgement of the South Central Administrative Court of 24 April 2024

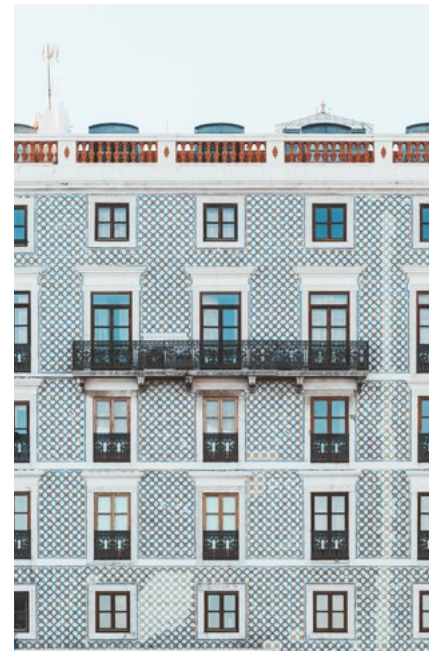
I - The nullity of the judgement, due to the opposition of the grounds with the decision, consists of the formal contradiction between the grounds of fact or law and

the decisional segment of the judgement, i.e. the circumstance that the iterant contained in the judgement, in its motivation, is in contradiction with the final decision handed down, which is not to be confused with the error of judgement, consisting of the understanding that the decision handed down on the matter of fact should have led to a different result than the one reached.

II - It follows from a combined reading of articles 7(1) and 11(5) of the CIMT that, for the purposes of assessing whether the exemption provided for in the former has not lapsed, what matters is that there is no metamorphosis or substantial alteration of the property acquired for resale.

III - Since building plots were acquired for resale, but houses were built on them from scratch

and subsequently sold, there has been a substantial alteration of the buildings in question, which falls within the scope of Article 11(5) of the CIMT, and there is no basis for dividing the house from the land on which it stands, since the latter ceases to exist as such when the building is completed.



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