



**afm**  
all finance matters

# E-FATURA: A STEP-BY-STEP GUIDE TO VALIDATING INVOICES FOR YOUR IRS REFUND

## ALL FINANCE MATTERS

Largo das Sete Ruas, 1-B  
8800-604 – Tavira

Rua Frederico Lecor, Nº 53 B  
8000-247 Faro

E : [info@afm.tax](mailto:info@afm.tax)

P : +351 281 029 059

W : [www.afm.tax](http://www.afm.tax)

**PORQUÊ**

Quando exige fatura garante qu  
e aumenta a justiça, contribuindo  
contribuintes (cidadãos ou

eral  
eletrónica e consulta de faturas.

Validating your invoices through e-fatura is essential. It ensures you receive the maximum IRS refund you're entitled to.

With the validation deadline set for February 25, now is the time to confirm your invoices and secure deductions for eligible expenses.

**Important Note:** If you have NHR status and are tax-exempt or taxed at a flat rate, these deductions will not affect your tax liability. Tax deductions only apply to income taxed at progressive tax rates.

### **What You'll Learn in This Guide**

- Why invoice validation matters
- Step-by-step instructions to validate your invoices
- What happens if you miss the deadline

### **Why Should I Validate Invoices?**

Validating invoices on e-Fatura ensures you benefit from deductions in key areas like:

- Health
- Education
- Housing
- Nursing Homes
- General Family Expenses ("Others")

Additionally, you can recover part of the VAT paid on services such as transportation passes, dining, accommodation, car and motorcycle repairs, beauty salons, and even veterinary services.

While most invoices are automatically validated by the system, some require manual intervention. Missing this step could cost you valuable tax benefits.

### **What is e-Fatura?**

e-Fatura is an online platform introduced in 2015 by the Portuguese government to combat tax evasion. It tracks your expenses tied to your taxpayer number (NIF) and enables you to declare them for tax deductions, potentially lowering your tax bill or increasing your IRS refund.

**Bonus Tip:** By using e-Fatura, you can also participate in the "Invoice of Luck" lottery, which offers weekly prizes of 35,000€ in treasury certificates!

## **Step-by-Step: How to Validate Invoices**

### **1. Register on the Tax Portal**

If you're new to the system, register on the Tax Portal and wait for your login credentials (NIF and password) to arrive by mail. Existing users should ensure their credentials are valid.

### **2. Access e-Fatura: <https://faturas.portaldasfinancas.gov.pt/> Or install the e-Fatura App**

Log in to the e-Fatura platform and navigate to the "Deductible Expenses for IRS" section. Here, you can monitor your accumulated expenses by category and track progress toward the maximum allowable deductions.

### **3. Validate Pending Invoices**

For invoices flagged for manual validation:

Click "Complete Invoice Information."

If you don't recognize a merchant or expense, consult your records or search for the merchant's details online.

Adjust incorrect sectors by selecting the invoice and clicking "Change."

### **4. Associate Medical Prescriptions**

Health expenses with a 23% VAT rate require a medical prescription to qualify for deductions. On the portal, click "Associate Prescription" and provide the required details.

### **5. Manually Enter Invoices**

Forgot to request an invoice with your NIF? You can enter it manually:

Go to "Register Invoices."

Fill in details like the merchant's NIF, invoice number, date, VAT rate, and taxable amount.

Note: Merchants have until the 20th of the following month to input invoices, so avoid premature manual entries. Some expenses (e.g., tuition fees, mortgage interest) may appear later.

## 6. Confirm Regularly

Regularly check your e-Fatura account to ensure all invoices are categorized correctly. This habit simplifies the process as IRS deadlines approach.

### Special Considerations for Self-Employed Workers

Self-employed professionals (Category B income) must specify if an invoice relates fully or partially to their professional activity:

- Full Amount: 100% is deductible.
- Partial Amount: Only 25% is considered.

For those in the simplified regime, the Tax Authority assumes 10% of income goes toward professional expenses. Additional deductions must be validated to account for the remaining 15%.

This step is particularly important for incomes exceeding 27,360€, as failure to validate professional expenses could lead to significant financial losses.

### Maximizing Your Deductions by Category

By validating your invoices, you unlock deductions across various categories. Here's a quick overview:

Category	Max Deduction
Health	1,000€
Education	800€
Housing	502€
General Family Expenses	250€ (per family member)

Validating your invoices on e-Fatura doesn't have to be daunting. With these simple steps, you'll be well-prepared to make the most of your IRS deductions for 2025.

### Deductions by Category:

<b>Sector</b>	<b>Deduction (%)</b>	<b>Maximum Amount (€) per taxpayer</b>	<b>Expenses Included</b>
Health	15%	1,000€	<ul style="list-style-type: none"> <li>– Purchases of goods and services exempt from VAT or subject to a reduced rate.</li> <li>– Purchases of goods and services with VAT at the standard rate, provided they are accompanied by a medical prescription.</li> <li>– Health insurance premiums or contributions paid to mutual associations or non-profit institutions providing healthcare. For example, if you paid health insurance premiums and covered 85% of the cost by the end of the year, these are deductible. Keep in mind that if you spend over 1,000€ per year, the savings may not be as substantial.</li> </ul>
Education	30%	800€	<ul style="list-style-type: none"> <li>– Nurseries, kindergartens, daycare centers, schools, educational institutions, and other educational services;</li> <li>– School books and materials;</li> <li>– School meals;</li> <li>– Accommodation for students away from home.</li> </ul>
Real Estate	15%	502€	<ul style="list-style-type: none"> <li>– Rent for permanent housing. For households with taxable income up to 30,000€, the deduction limit is 800€.</li> </ul>
Real Estate	15%	296€	<ul style="list-style-type: none"> <li>– Interest on loan payments for mortgage contracts signed before December 31, 2011. For households with taxable income up to 30,000€, the deduction limit is 450€.</li> </ul>
Real Estate	30%	500€	<ul style="list-style-type: none"> <li>– Property rehabilitation.</li> </ul>
Nursing Homes	25%	403.75€	<ul style="list-style-type: none"> <li>– Expenses incurred for nursing homes or residences for elderly or disabled persons under your care.</li> </ul>
General Expenses	35%	250€	<ul style="list-style-type: none"> <li>– Water, electricity, gas, clothing, supermarket purchases, or fuel. For single-parent families, the deduction is 45% up to 335€.</li> </ul>
Pension Savings Plans	20%	400€	<ul style="list-style-type: none"> <li>– Individuals under 35 years old.</li> </ul>
Pension Savings Plans	20%	350€	<ul style="list-style-type: none"> <li>– Individuals between 35 and 50 years old.</li> </ul>
Pension Savings Plans	20%	300€	<ul style="list-style-type: none"> <li>– Individuals over 50 years old.</li> </ul>
VAT	15%	250€	<ul style="list-style-type: none"> <li>– Restaurants, hotels, hairdressers, car and motorcycle repairs.</li> </ul>

## **Conclusion:**

Validating your invoices through e-Fatura is a crucial step in maximizing your IRS refund and securing deductions for various expenses. By taking the time to correctly validate and associate your invoices, you ensure that you can fully benefit from deductions in key categories such as health, education, housing, and general family expenses. This process not only reduces your tax bill but can also increase your potential refund.

For self-employed individuals, it's especially important to accurately report professional expenses to avoid financial losses, particularly for those with higher incomes. By following the outlined steps and regularly reviewing your e-Fatura account, you can confidently manage your deductions and optimize your tax situation.

Remember, the deadline for validation is February 25, so don't wait until the last minute. Take advantage of this opportunity to lower your taxable income and enhance your financial benefits for the year ahead.





**afm**  
all finance **m**atters

For any inquiries or support, our team can guide you through the whole moving process. Feel free to reach out to us at [info@afm.tax](mailto:info@afm.tax) or visit [www.afm.tax](http://www.afm.tax).

**"YOU MUST PAY TAXES, BUT THERE'S NO LAW  
THAT SAYS YOU NEED TO LEAVE A TIP."**