

# Brazil

## Information on residency for tax purposes

### Section I – Criteria for Individuals to be considered a tax resident

An individual is deemed to be a resident in Brazil for tax purposes if: he moves to Brazil under a permanent visa; he is hired by a Brazilian company; or if he remains in the country for more than 183 days during a 12 month-period from the original date of entry.

Decree No. 3.000/99 – Income Tax Code , articles 18 and 19 (RIR/99)

[http://www.planalto.gov.br/ccivil\\_03/decreto/d3000.htm](http://www.planalto.gov.br/ccivil_03/decreto/d3000.htm).

Administrative Act – IN RFB nº 146/98

### Section II – Criteria for Entities to be considered a tax resident

An entity is deemed to be resident in Brazil for tax purposes if it is incorporated under Brazilian law or if it opts for registering its corporate headquarters in Brazil. Resident individuals or legal persons are liable to income tax on their worldwide income and capital gains, regardless of the source of the income. They must self-assess their own income tax liability under the rules applicable to resident taxpayers and are required to file an annual income tax return.

Decree No. 3.000/99 – Income Tax Code , article 212 (RIR/99)

[http://www.planalto.gov.br/ccivil\\_03/decreto/d3000.htm](http://www.planalto.gov.br/ccivil_03/decreto/d3000.htm)

### Section III – Entity types that are as a rule not considered tax residents

Brazilian law does not specifically provide for the concept of non-resident entities. In principle, all entities that do not fall within the concept of resident are characterized as non-residents. Brazil does not tax dividends nor does it apply a branch profit tax. Non-residents are not required to file an annual income tax return. However, non-residents who own properties (real estate, bank accounts, shares, vehicles, etc.) in Brazil must register as taxpayers with the Brazilian federal tax authorities. Likewise, foreign companies operating in Brazil through a branch, subsidiary or office or doing business in Brazil through a commissionaire or representative must be registered with the Brazilian public authorities. The branch, office or agent may be equated to a resident legal entity for tax purposes and be taxed with respect to income attributable to the branch, office or agent.

Law nº 3.470/58, article 76

Law nº 4.131/62, article 42

Law nº 6.264/75, article 1

RIR/99, article 147, II and II

Civil Code, article 1.126.

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<b>Section IV – Contact point for further information</b>
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