

**ACCOUNTING AND TAX EXPENSES OF PROPERTY,
PLANT AND EQUIPMENT. EVIDENCE OF THE
PORTUGUESE ARBITRAL COURT'S DECISIONS**

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Abstract

The paper's primary goal is to understand the litigation level between the Portuguese corporations and Tax Authority in the property, plant and equipment's expenses domain. It analyses several Portuguese data sources, particularly the Constitutional Law, the Accounting Standards and the Corporate Income Tax Law. Beyond that, it applies the case law-based research methodology led to select and aggregate the arbitral court decisions.

The results show that depreciation is the expense that causes more litigation, particularly in the rate or useful life matter. Since the Centre for Administrative Arbitration develops activity, the electricity production's corporations are the sector that recur more to the arbitral court decision, specifically concerning the assignment of depreciation rate of wind turbines. The divergence was relevant in the period between 2009 and 2014, due to the lack of legal provision, the law contains indeterminate concepts and tax legislator confers a high degree of technical discretion to the tax authority. These facts lead to a more complex legal tax jurisdiction, less competitive, and not friendly to the foreign investment.

Keywords: Property, Plant and Equipment; Investment; Accounting; Taxation; Portugal; Arbitral Court Decisions, Competitiveness.

JEL Codes: H25, K34, M42

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