

*Research Paper***The Impact of Taxation on the Results of Portuguese Companies***Submitted on 14 July 2025**Accepted on 30 July 2025**Evaluated by a double-blind review system*

ANDREIA MENDES¹
JOSÉ CAMPOS AMORIM²

ABSTRACT

Purpose: This study carried out a macro analysis of the portuguese companies in order to assess the influence of taxation on company results.

Methodology: To this end, the analysis essentially focused on the corrections made to Table 07 from the income tax Model 22, for the 2019 and 2023 period, in an attempt to assess the tax corrections that impacted taxable results and to ascertain their causes.

Results: The results led to the conclusion that there is indeed an influence of taxation on accounting, however, the differences between both areas have intensified over the period under study. This factor emphasises the tendency for divergences between the two areas of analysis to intensify, thus weakening the relationship between them.

Research limitations: This study is based on public data and focused on the fields with major corrections presented on the Table 07 from the income tax Model 22. This may lead to small variations.

Originality: This study contributes to the debate of the impact of taxation on the fiscal results presented by the Portuguese companies.

Keywords: *Taxation; Accounting; Divergences; Results; Portugal*

¹ Instituto Superior de Contabilidade e Administração, Portugal. E-Mail: filipaam@hotmail.com

² Instituto Superior de Contabilidade e Administração, Portugal. E-mail: j.camposamorim@gmail.com

1. Introduction

Following the discrepancies between the fields of taxation and accounting, it became necessary to consider extra-accounting adjustments, as set out in the Corporate Income Tax Code (CIRC), in the determination of taxable profit.

In this context, the objective of this analysis is to assess the influence of taxation on company results, focusing primarily on the adjustments made in Table 07 of the Model 22 tax return. The emphasis is placed on the fields that recorded the highest number of adjustments and the most significant values, in determining the taxable profit.

To this end, statistical data collected from the Portuguese Tax Authority (Autoridade Tributária) website was used, followed by an analysis of the evolution of the fields in Table 07 of the IRC Model 22. For that reason, this research adopts a quantitative approach.

Structurally, this article begins with a brief literature review on the subject matter, focusing on the differences between accounting and tax results, arising from the distinct purposes of each area. Some existing studies on the divergences between accounting and taxation are also highlighted, particularly their impact on the quality of financial information provided by entities. In the subsequent section, based on the statistical data gathered from the Tax Authority's website, the evolution of the fields in Table 07 of the IRC Model 22 for the years 2019 and 2023 is analysed.

2. Literature Review

2.1. *The Influence of Taxation on Accounting*

The study carried by Lamb et al. (1998) focuses primarily on the relationship between accounting and taxation in countries such as Germany, France, the United Kingdom, and the United States of America.

Upon analysing the results, it was possible to conclude that there is indeed a strong relationship between taxation and accounting in Continental European countries, in contrast to countries with an Anglo-Saxon influence. Furthermore, it was also found that financial reporting in the United Kingdom and the United States was less influenced by taxation than in Germany, with France occupying an intermediate position (Rodrigues, 2012).

Countries with characteristics similar to Portugal, once dominated by tax-driven criteria (Lamb et al., 1998), were classified as belonging to Case V, that is, dependent on taxation (Hoogendoorn, 1996, as cited by the same authors).

During the process of adapting the Corporate Income Tax Code (CIRC) to the Accounting Standardisation System (SNC), there was a convergence of certain fiscal aspects towards accounting principles.

The effects of increased conformity between accounting and taxable results have been the subject of extensive debate. Some studies suggest that enhancing alignment between these two areas can improve the quality of financial statement information while limiting earnings management (Desay, 2005, cited by Hanlon et al., 2008). According to the same authors, when the degree of conformity is lower, company managers may act opportunistically by declaring lower income to tax authorities while inflating earnings to the shareholders.

As argued by Ramírez (2000) in Nascimento & Gonçalves Góis (2014), differences between accounting and taxable income will always exist. This is primarily because the two areas have divergent objectives: taxation aims to minimise income in order to reduce or defer taxes payable, whereas accounting seeks to maximise or stabilise earnings to satisfy shareholders (Rodrigues, 2012).

According to Â. Pereira et al. (2023), in the Portuguese context, differences between accounting and tax regulations, become apparent during the calculation of taxable income. The same authors state that these divergences lead to adjustments of accounting results in order to determine the taxable profit.

Analysing the study by Abdul Wahab & Holland (2015), from a tax planning perspective, differences between accounting and taxable income can be decomposed into permanent and temporary differences. Cited by Â. Pereira et al. (2023), the authors Hanlon (2005) and Blaylock et al. (2012) emphasise that permanent differences cannot be reversed in future years, resulting in either a reduction or increase in taxation that affects only a specific period. Conversely, temporary differences arise when an expense or income cannot be considered for tax purposes in the period it occurs but will have future tax implications.

Book-tax conformity fundamentally involves increasing the similarity between the information presented in financial statements and tax returns (Figueiredo, 2016).

The results obtained by Fekete et al. (2009) were discussed in the study by Nascimento & Gonçalves Góis (2014), which highlights the impact of company size on the influence of taxation over accounting. While larger companies clearly distinguish between financial information derived from tax records, small and medium-sized enterprises (SMEs) do not make such a complete separation, and micro-entities practically prepare information solely for tax purposes. The same authors also reference the views of Nicodème (2002), who evaluates the different tax levels applied to companies. On the one hand, SMEs are the business group that contributes most to employment and economic development, leading to the increasing of favourable tax treatments' approval. However, larger companies, due to their greater economic influence, have more power to negotiate more favourable tax treatments.

Hanlon et al. (2008), in their empirical study, argue that when the relationship between financial information and legislation is stronger - i.e., when there is a higher degree of book-tax conformity - the informational role of accounting results is diminished. Consequently, the study highlights an unintended consequence of corporate taxation: the loss of credibility and reliability of the results presented by companies when accounting and taxation are more harmonised. The same authors cite Desai (2005), noting requests for requiring conformity between accounting and taxable income to eliminate "arbitrage" between the two areas, with the aim of enhancing the reliability of reported accounting earnings and thereby reducing the greater flexibility allowed under financial reporting standards.

2.2. The Relationship Between Taxation and Accounting

Currently, financial statements prepared for shareholders are based on a set of principles and rules that vary from country to country. One of the most significant factors influencing accounting practices across countries is taxation (Nobes, 1996, cited by Amaral, 2001). In Anglo-Saxon influenced countries, financial information primarily serves the capital markets, whereas in continental law countries, financial information essentially serves to determine the amount of tax payable by the company (Amaral, 2001).

Therefore, a distinction is recognised between the objectives of financial information in common law and code law countries: on the one hand, financial information in the former should reflect a true and fair view of results to aid decision-making, while in code law

countries, the objective is to maintain uniform accounting that serves as a basis for taxation (Amaral, 2001).

European governmental institutions face a dilemma when deciding on tax rates and fiscal benefits to apply to companies (Aldeia et al., 2021), as States need to collect taxes to fund public expenditure while simultaneously aiming to promote economic growth (Leea & Gordon, 2005, cited by Aldeia et al., 2021).

Several studies argue that differences between accounting and taxable results will always exist due to the distinct purposes of each field. Taxation aims to calculate and collect revenues to meet the financial needs of the State, whereas accounting seeks to maximise results to satisfy shareholders (Rodrigues, 2012).

Corporate taxation rules have always influenced the financial reporting disclosed by Portuguese companies. This is because taxable profit is calculated based on the net profit for the period, which is subsequently adjusted in accordance with tax regulations.

With the evolution of accounting rules and the adaptation of the Corporate Income Tax Code (CIRC) to these changes, efforts have been made to reduce the discrepancies between taxation and accounting.

One of the amendments introduced to bring these two areas closer was the acceptance of the fair value method in situations such as financial instruments and the valuation of consumable biological assets. Given that the Portuguese Accounting Standards System (SNC) is a principles-based model rather than rule-based, fair value measurement is preferred.

To combat fraud and tax evasion, the CIRC imposes limits on depreciation or amortisation, provisions, impairment losses, and social utility realisations. Furthermore, certain expenses, whether documented or not, may also be disallowed for tax purposes. All these measures result in differences between accounting and taxable profit.

PIRES, A. (2010) highlights that taxation has negatively impacted accounting in Portugal, undermining its explanatory role regarding economic phenomena. This impact does not affect all companies or sectors equally; however, it may lead to the distorted presentation of financial information in relation to economic reality.

The determination of taxable profit also involves the adjustments made in Box 07 of the Model 22 tax return. According to the rules set out in the Corporate Income Tax Code

(CIRC), previously reported tax losses and any existing tax benefits may be deducted from the taxable profit to calculate the taxable base.

Costa (2011, pp. 6-11) states that, contrary to expectations, the introduction of the Portuguese Accounting Standards System (SNC) in 2010 led to an increase in the number of fields to be completed in Box 07, both for additions (rising from 34 fields in the 2009 tax return to 44 fields in the 2010 tax return) and deductions (from 13 fields in 2009 to 22 fields in 2010), highlighting a growth in the divergences between the fiscal results (IRC Code) and accounting results (SNC).

The determination of the fiscal result is carried out at the time the Model 22 is submitted, through post-accounting adjustments. Thus, the fiscal result derives from the accounting result, and it is based on this fiscal result that the Portuguese Tax and Customs Authority taxes a company's income (Sousa, 2017).

The current tax system in Portugal is based on income taxes and consumption taxes. Regarding income tax, it can be applied either to individuals (IRS) or to legal entities (IRC).

In the case of taxation applied to legal entities, it follows the rules established by the Corporate Income Tax Code, known as CIRC.

According to Article 17 of the CIRC, the taxable profit "consists of the algebraic sum of the net profit for the period and the positive and negative equity variations verified in the same period that are not reflected in that profit, determined based on accounting." In other words, the taxable profit calculated through the application of accounting standards must be adjusted according to the tax regime.

These adjustments foster differences between the accounting result and the result to be considered for tax purposes. The adjustments made to the accounting result are subsequently reflected in Box 07 of the Modelo 22 tax return.

The exemption from submitting the periodic income declaration, under Article 117, paragraph 6 of the CIRC, applies to entities that only earn income not subject to IRC, except when they are subject to any autonomous taxation.

Additionally, besides the adjustments to the accounting result, positive (negative) equity variations not reflected in the period and positive (negative) tax corrections must also be

added (deducted). The result of this accounting process may result in taxable profit or tax loss, depending on whether the result is positive or negative.

Once the taxable profit is obtained, and after applying tax benefits and tax losses, it is possible to determine the taxable base, to which the respective IRC rate will be applied, resulting in the tax liability. The tax due or refundable will be determined after adding or deducting amounts arising from the legislation.

As has been demonstrated, taxation plays a constraining role in accounting measurement, which consequently leads to a more distorted presentation of financial information. This is due to the overriding influence of tax measures over accounting criteria, as seen, for example, in the determination of costs to be attributed to the financial year as a result of the recognition of depreciation/amortisation, revaluations, adjustments, impairments, provisions, or others (Rodrigues, 2012).

The following table presents examples of the main situations that give rise to divergences between accounting and tax regulations, in a summarised form.

Table T1: Tax regime vs accounting standards

Scenarios	Fiscal regime	Accounting standards
Depreciation and Amortization	Straight-line and declining balance methods (paragraphs 1 and 2 of Article 30 of the CIRC); Depreciation and amortization are calculated based on the rates established in Regulatory Decree No. 25/2009	Straight-line method, declining balance method, or units of production method (NCRF 6 and 7; IAS 38 and IAS 16); Estimated useful economic life based on expected inflows
Impairment Losses	The recognition of impairment losses (Article 31) is subject to the conditions set out in Articles 28 to 31 of the IRC	Impairment of assets is recognized whenever the carrying amount exceeds the recoverable amount (NCRF 12; IAS 36).
Provisions	An expense accepted for tax purposes only in the situations provided for in the CIRC - such as obligations and charges arising from ongoing legal proceedings, costs related to guarantees granted to clients, and expenses for repairing environmental damage (Article 39(1), among others). All other provisions are only deductible when the obligation is settled, in accordance with Articles 39 and 40 of the CIRC.	An expense is recognized when the obligation is certain, and the amount can be reliably measured (NCRF 21; IAS 37)
Gains and losses	Gains and losses contribute to the determination of taxable income (paragraph 2 of Article 23 of the Corporate Income Tax Code – CIRC);	Accounting gains and losses refer to the difference between the disposal value and the acquisition cost, net of accumulated accounting depreciation.

	If the proceeds from the disposal are reinvested, the applicable taxation is governed by paragraphs 1 and 2 of Article 48 of the CIRC.	
Accrual of Taxable Profit	Errors are accepted for tax purposes only if they were unforeseeable at the time of determining the taxable income. Otherwise, they must be recognized as an expense or income (paragraph 2 of Article 18 of the CIRC).	When an error is materially significant, the correction to be recorded should be considered as equity. On the other hand, if the errors are not materially significant, they should be recognized as income or expenses for the period (NCRF 4).
Adjustments arising from the use of the fair value model	Expenses and income resulting from adjustments made do not contribute to the determination of taxable income for those tax periods, but rather for the periods in which such assets are disposed of (paragraph 1 of Article 29 of the CIRC).	Expenses and income resulting from the adjustments made are included in the results of the current period (NCRF 11 and 27; IAS 40; IAS 32, 39; and IFRS 7).
Equity Changes	Positive/negative changes in equity not reflected in the net income for the tax period contribute to the determination of taxable profit, except for the exceptions provided in Articles 21 and 24 of the CIRC.	Changes in equity must be reflected in the various components that make up the net income for the period (NCRF 6, 7, 11, 22, 28).
Depreciation and Grants Related to Non-Current Assets	Their tax relevance depends on their inclusion in the taxable income when the assets are depreciable (Article 20 of the CIRC) or as positive equity changes in cases where they relate to non-depreciable assets (point d) of Article 22).	Grants are initially recognized in equity. Subsequently, they are recognized as the income over the period necessary to offset the related expenses, or retained in equity if they relate to non-depreciable assets (NCRF 22, §§ 12 to 22; IAS 20).
Transfer Pricing	In transactions carried out between related entities, terms equivalent to those that would be agreed upon between independent parties must be applied (Article 63, paragraph 1). Whenever this is not the case, the taxpayer must make the necessary adjustments (Article 63, paragraph 8).	If transactions occur between related parties, an entity must disclose the nature of the relationship as well as information about the transactions and outstanding balances (NCRF 5, §14 and §18).
Autonomous Taxation	They are considered taxes on expenses and are applied in accordance with the provisions of Article 88 of the Corporate Income Tax Code (CIRC).	Since autonomous taxation is not based on taxable profits, it should not be considered in the calculation of the effective tax rate (explanatory note to account 8121; NCRF 25).

Source: Mota, 2020

3. Methodology

This research adopts a quantitative approach as this study was developed based on a set of statistical data made available by the Portuguese Tax Authority.

The main objective is to assess the influence of taxation on company results, focusing primarily on Portuguese companies over the period from 2019 to 2023. To this end, the evolution of the adjustments made in Table 07 of the Model 22 was analysed throughout the period in question, using as a basis the statistics published on the Tax Authority's website.

In addition to the analysis of the fields in Table 07 of the Model 22, the study also examined the evolution of other factors derived from the measured values, namely: the relationship between accounting profit and taxable profit, tax losses, and the progression of the Net Income for Tax Purposes (RLE) and the taxable profit.

4. Results

Although the data presented is static (since it reflects the information published at the time of data collection for the development of the study) it may also acquire dynamic characteristics, due to possible changes over time (such as the submission of replacement returns by taxpayers, for example).

As for the results obtained, there is a notable consistency across the years within the 2019–2023 period, both in terms of the most frequently completed fields and those with the highest measured values.

Among the most frequently completed fields, the following stand out: field 724 – Corporate Income Tax (IRC) and other taxes levied on profits; field 728 – Fines, penalties, and other charges resulting from infractions; and field 710 – Adjustments relating to previous periods. Since all these fields refer to upward adjustments, it can be stated that, following the accounting corrections, the taxable profit will tend to be higher than the accounting profit.

Regarding the fields with the highest measured values, the most significant are: field 758 – Reversal of the effects of the equity method; field 771 – Elimination of economic double taxation; and again, field 724 – Corporate Income Tax and other taxes.

The analysis of the fields in Table 07 of the tax return where the most predominant corrections were identified was carried out based on the five fields with the highest total value and the greatest number of declarations.

Table 2: Number of declarations, in units, for the fields in Table 07 (2019 and 2023)

	U/D	Field	Description	2019	2023
#1	U	724	Corporate Income Tax (IRC) and other taxes levied on profits [art.º 23.º-A, n.º 1, al.a)]	284 282	334 142
#2	U	728	Fines, penalties, and other charges arising from infractions [art.º 23.º-A, n.º 1, al. e)]	179 013	186 351
#3	U	710	Adjustments Relating to Previous Tax Periods (art.º 18.º, n.º 2)	115 791	131 271
#4	U	731	Expenses Not Properly Documented [art.º 23.º-A, n.º 1, al. c)]	58 830	101 818
#5	U	752	Other Additions	56 147	
	D	774	Tax Benefits		106 840

Source: Own Elaboration

The table above shows that, throughout the years under review, there was a near-total consistency in the most frequently completed fields, as these maintained a steady position over time.

Looking in greater detail, for the year 2019, field 724 – Corporate Income Tax (IRC) and other taxes levied on profits – was the most frequently completed, with 284,282 declarations. Given that, under Article 23-A, paragraph a), this constitutes a non-deductible expense, its position is understandable. This expenditure results from the tax itself and, as such, allowing it to be deductible would have an adverse effect on the State’s tax revenues.

Next is field 728 – Fines, penalties, and other charges arising from infractions. As previously mentioned, this field also refers to a non-deductible expense for tax purposes (Article 23-A, paragraph 1, subparagraph e)). The prominence of this field reflects taxpayers' non-compliant behaviour in relation to the regulations in force.

It is important to highlight that all the fields under analysis refer to upward adjustments. For this reason, it can be stated that, following the accounting corrections, the taxable profit will generally be higher than the accounting profit.

Table 3: Amount, in millions of euros, declared in the fields of the Table (2019 and 2023)

	U/D	Field	Description	2019	2023
#1	D	758	Reversal of the effects of the equity method and the proportional consolidation method in the case of joint ventures that are IRC taxpayers (art.º 18.º, n.º 8)	9 035	15 287
#2	D	771	Elimination of Economic Double Taxation on Distributed Profits and Reserves (art.ºs 51.º e 51.º-D)	8 526	9 846
#3	U	724	Corporate Income Tax (IRC), including autonomous taxation, and other taxes that directly or indirectly apply to profits. [art.º 23.º-A, n.º 1, al.a)]	6 674	9 649
#4	U	712	Reversal of the effects of the equity method and the proportional consolidation method in the case of joint ventures that are taxpayers for IRC (art.º 18.º, n.º 8)	5 678	
	U	721	Provisions that are non-deductible or exceed legal limits (art.ºs 19.º, n.º 4 e 39.º) and impairment losses on financial assets that are not deductible for tax purposes.		5 669
#5	U	721	Provisions that are non-deductible or exceed legal limits (art.ºs 19.º, n.º 4 e 39.º) and impairment losses on financial assets that are not deductible for tax purposes	5 072	
	D	767	Accounting gains.		5 116

Source: Own Elaboration

In relation to the declared values, the pattern is less uniform than in the previous analysis.

Although there are fluctuations in the ranking positions over the analysis period, the fields that tend to show the most activity are field 758 – Reversal of the effects of the equity method, and field 771 – Elimination of economic double taxation, both of which consistently occupied the top positions throughout the period under review.

The field with the highest value in 2019 is field 758 – Reversal of the effects of the equity method, which refers to a deduction. It can therefore be concluded that income related to profits allocated to a company’s financial interest in another entity—although recognised for accounting purposes—is not considered in the calculation of taxable profit. Field 758 must be used to reflect the corresponding deduction. This factor highlights the growing number of corporate groups.

Based on the three Table 07 fields with the highest measured values previously mentioned, it is possible to draw conclusions and characterise the Portuguese business landscape. Through the use of the equity method, we can infer a growing number of

corporate groups, as well as the allocation of results from subsidiary companies to the portfolios of parent companies. The elimination of double taxation highlights the occurrence of multiple tax charges on the same income and also suggests an intensification of cross-border activity. Lastly, the increase in IRC and other taxes on profits - being a non-deductible expense - is a direct consequence of the tax burden itself.

In summary, when looking at the declared values, there is a greater balance between the number of fields used for upward adjustments and those used for deductions.

In addition to the analysis of the Table 07 fields in the Model 22 return, the evolution of other factors derived from the reported values was also examined.

Contrary to what might be expected - given that upward adjustment fields were most frequently used for corrections - the accounting profit was consistently lower than the taxable profit throughout the analysis period. In fact, the gap between positive accounting profit and taxable profit has shown a growing trend, leading to the conclusion that the discrepancies between accounting and taxation have become increasingly significant.

With regard to tax losses, there was an increase of 27.9% from 2019 to 2020, a further 2.3% increase from 2020 to 2022, and a marginal decrease of 4.70% from 2022 to 2023. Regarding the number of tax returns by taxable income result, the percentage of entities reporting a tax loss is, respectively, 34.5%, 33.1%, and 33.9%.

Regarding the number of tax returns by taxable income result, during the period under analysis, the percentage of entities reporting taxable profit was 49.1%, 51.1%, and 50.9% in the tax years 2021, 2022, and 2023, respectively

It is important to note that part of this profit reflects the deduction of tax losses from previous taxation periods or relates to tax exemption regimes. Entities covered by the special taxation regime for corporate groups are also partly responsible for the elimination of these profits, as the group's taxable income results from the algebraic sum of the fiscal results of its constituent entities.

By analysing the evolution of the Net Income for Tax Purposes (RLE) and the taxable profit, it becomes evident that the differences between the two have intensified over time. This trend underlines the increasing divergence between accounting and taxation, gradually weakening the connection between these two areas.

The fact that accounting and taxation pursue different objectives - since taxation aims to minimise income in order to reduce or defer tax liabilities, while accounting seeks to maximise or stabilise earnings to satisfy shareholders (Rodrigues, 2012) - leads to inherent differences between accounting and taxable profits, which become apparent in the calculation of taxable income and are reflected through tax adjustments.

These adjustments - whether in the form of increases or deductions - have intensified over the years, a trend that is clearly observable through the analysis of the declared values in the fields of Table 07 of the IRC Model 22 return.

In Portugal, there is a reciprocal influence between accounting and taxation. Accounting directly influences taxation, as net profit for the financial year (determined according to accounting standards) serves as the basis for calculating and determining taxable profit or loss. Conversely, tax considerations increasingly influence accounting standards during the preparation of financial statements, due to their significance in calculating tax liabilities. As a result, this leads to a departure from the core accounting objective of providing real and transparent financial information to users.

5. Conclusion

The truth is that, despite this undeniable relationship, the differences have been intensifying over time, thereby fuelling the growing divergence between these two areas.

These divergences have been reflected in tax adjustments, which contribute to the widening gap between accounting profit and taxable profit. Whether in the form of additions or deductions, tax adjustments have become increasingly significant over the years, a trend that is clearly observable in the values reported in the fields of Table 07 of the IRC Model 22.

Using the statistical data available on the Portuguese Tax Authority's website as a reference, this article carried out a macro-level analysis of the fields in Table 07 of the Modelo 22 Corporate Income Tax Return submitted by Portuguese companies for the period 2019–2023. From the study of these data, it was possible to identify the fields with the highest number of adjustments, as well as the corresponding declared amounts.

With regard to the most frequently used fields during the period under analysis, it is possible to conclude that there was overall stability, as these fields consistently held the

same positions across the five years. It is worth noting that all of these fields refer to upward adjustments. For this reason, it can be stated that, following accounting adjustments, the taxable profit tends to be higher than the accounting profit. On the other hand, regarding the declared values, there was greater fluctuation throughout the analysis period. Only in 2020 and 2021 was there a repetition of the same fields in the same ranking positions, suggesting a more balanced distribution between deduction and addition adjustments.

In conclusion, the development of this article confirms the existence of a relationship between accounting and taxation, which has gradually weakened in recent years. Despite the enduring interdependence between these two areas - given that taxation relies on accounting profit to calculate taxable income - the reality is that divergences have become increasingly prominent. This is reflected in the adjustments recorded in Table 07 of the Modelo 22 Corporate Income Tax Return.

6. Limitations and Future Research

Despite the relevance of the findings presented, this study also contains certain limitations, which must be acknowledged to contextualise the results and guide future research.

One of the primary limitations concerns the use of secondary data sourced from the Portuguese Tax Authority's website. While these statistics provide a reliable macroeconomic overview, they do not allow for a granular analysis at the firm-specific level. Consequently, the study does not capture the underlying motivations, accounting policies, or tax planning strategies that may explain the corrections reported in Table 07 of the Model 22. The absence of firm-level data also limits the capacity to assess sectoral differences or the impact of company size, legal structure, or ownership on the degree of divergence between accounting and taxation.

Additionally, the static nature of the data used represents another constraint. As the figures reflect the information available at the time of collection, they are susceptible to changes arising from the submission of substitute returns or subsequent tax corrections by taxpayers. Therefore, the findings must be interpreted with some caution, particularly regarding their long-term generalisability.

Finally, it would be particularly relevant to compare the results of the year 2025 with those of 2010, the year in which the Sistema de Normalização Contabilística (SNC) was implemented in Portugal. This comparison would enable researchers to evaluate the long-term effects of the SNC on the alignment - or divergence - between accounting and taxation. Analysing this 15-year period could offer valuable insights into the structural evolution of financial reporting and tax practices in Portugal, and whether the introduction of the SNC has contributed to narrowing or widening the gap between accounting and tax outcomes.

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