

PRESS RELEASE

TRANSLATION



Office of the Secretary

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TREASURY ANNOUNCES OCTOBER REVENUES TOTALED \$626.6 MILLION; FYTD REVENUES WERE \$2.571 BILLION, APPROXIMATELY \$112.6 MILLION, OR 4.6%, ABOVE REVENUES DURING THE SAME PERIOD IN FY 2015

October Sales and Use Tax (SUT) collections totaled \$180.9 million, a \$66.9 increase year-over-year

(San Juan, Puerto Rico) – The Secretary of Treasury, Mr. Juan Zaragoza Gómez announced that net revenues recorded in the General Fund in October were \$626.7 million. Total revenues during the first four months of FY 2016 were \$2.571 billion. This number is approximately \$112.6 million, or 4.6%, above revenues during the same period in FY 2015. The Secretary of Treasury, stated that when compared, actual revenues reached 99.7 percent of the original revenue estimates.

Total revenues for October 2015 are not totally comparable to those from October 2014. In October 2014, the Treasury Department received approximately \$102.9 million in non-recurring revenues (\$90.6 million from individuals and \$12.3 million from corporations) associated with Act 77 of 2014, which granted a temporary period during which certain transactions, such as those involving Individual Retirement Accounts (IRAs), retirement plans and other capital assets, could be prepaid. “If last year’s revenues were adjusted for comparative purposes only, this year’s revenues would exceed last year’s,” Zaragoza Gómez pointed out.

As for the performance of the different categories, the SUT registered \$180.9 million in October, approximately \$66.9 million more than in October 2014. Year-to-date SUT revenues for FY 2016 were approximately \$703.9 million, which is a year-over-year increase of \$252 million, or 56%. From such amount, \$247.6 million corresponds to the 4.5% rate increase. The year to date SUT revenues of \$703.9 were allocated as follows: \$456.3 million of fiscal year-to-date SUT revenues were

allocated to COFINA for debt service payments, and \$247.6 million to the General Fund, pursuant to Act 72-2015, as amended.

Corporate taxes registered both upward and downward changes in October. Specifically, corporate income tax revenues increased by \$17.4 million. This is notable, as \$12.3 million in corporate income taxes was collected as non-recurring revenues related to Act 77 in October 2014. The non-resident withholdings registered a \$26.8 million decrease, which includes royalties in the use manufacturing patents, is mainly attributed to the fact that a corporation made a non-recurring payment in October 2014.. Foreign excise tax collections for the month were \$116.6 million, representing a \$20.8 million decrease from the same month the previous year. This was due to the fact that two corporations reached the cap for this tax for calendar year 2015. Contrary to October of last year, one of these corporations did not make the payment this month because it had reached the cap in September. The other corporation paid only the amount needed to reach the cap, which represented a lower amount for the month than the amount last year.

Regarding consumption excise taxes, alcoholic beverages increased by \$1.9 million in October. Motor vehicle excise taxes registered a \$17.3 million decrease in October, and year-to-date revenues registered a \$39.5 million decline. This can be attributed to two factors, the main one being that a number of corporations claimed approximately \$30 million in tax credits, and the second factor is that there was a reduction in sales.

Cigarette excise tax revenues totaled \$15 million. From that total, \$5.7 million was accounted as transfers to different non-budgetary funds by virtue of various laws.

General Fund Net Revenues
October
(million of \$)

Items	October		Dif.	Estimate	Collections
	2014-15	2015-16		October	vs. Estimate
Gross General Fund Net Revenues	715.0	666.6	(48.4)	694.0	(27.4)
Reserve for Refund	(39.0)	(40.0)	(1.0)	(40.0)	-
General Fund Net Revenues	676.0	626.6	(49.4)	654.0	(27.4)
Individual	259.4	152.7	(106.7)	171.5	(18.8)
Corporations	103.8	121.2	17.4	101.8	19.4
Non-Resident Withholdings	66.9	40.1	(26.8)	70.3	(30.2)
Sales and Use Tax	-	77.50	77.5	86.8	(9.3)
Property Taxes	3.4	0.6	(2.8)	0.1	0.5
Foreign (Act. 154)	137.4	116.6	(20.8)	120.1	(3.5)
Alcoholic Beverages	18.1	20.0	1.9	18.3	1.7
Cigarettes	14.4	9.3	(5.1)	10.8	(1.5)
Motor Vehicles	33.9	16.6	(17.3)	31.7	(15.1)
Excises on Off-Shore Shipment Rum	18.5	21.1	2.6	18.7	2.4
Others	20.2	50.9	30.7	23.9	27.0

Items	July - October		Dif.	Estimate	Collections
	2014-15	2015-16		Jul - Oct	vs. Estimate
Gross General Fund Net Revenues	2,605.8	2,722.4	116.6	2,730.9	(8.5)
Reserve for Refund	(156.0)	(160.0)	(4.0)	(160.0)	-
General Fund Net Revenues	2,449.8	2,562.4	112.6	2,570.9	(8.5)
Individual	703.3	601.7	(101.6)	620.0	(18.3)
Corporations	463.8	467.0	3.2	440.8	26.2
Non-Resident Withholdings	174.0	173.1	(0.9)	182.7	(9.6)
Sales and Use Tax	0.0	247.6	247.6	254.4	(6.8)
Property Taxes	5.8	6.3	0.5	4.1	2.2
Foreign (Act. 154)	665.2	667.9	2.7	683.3	(15.4)
Alcoholic Beverages	77.7	79.3	1.6	78.5	0.8
Cigarettes	53.2	21.2	(32.0)	39.3	(18.1)
Motor Vehicles	90.0	50.5	(39.5)	79.2	(28.7)
Excises on Off-Shore Shipment Rum	75.6	73.9	(1.7)	68.5	5.4
Others	141.2	173.9	32.7	120.1	53.8

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