

PRESS RELEASE



Office of the Secretary

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PUERTO RICO TREASURY SECRETARY ANNOUNCES FINAL DECEMBER REVENUES THAT ARE \$12 MILLION HIGHER THAN PRELIMINARY FIGURE; REVISES REVENUE ESTIMATES FOR THE SECOND HALF OF FISCAL YEAR 2013-14

(San Juan, Puerto Rico) – Treasury Secretary Melba Acosta Febo today reported that final net revenues of the General Fund for the month of December 2013 totaled \$925 million. After completing all accounting processes, the final revenues were \$12 million higher than the preliminary figure announced in early January. The December revenues were up \$203 million, or 28%, over December 2012. Cumulative revenues for the first semester of the current fiscal year 13-14 (July-December) were up \$537 million or 15.7% from the same period last fiscal year. Revenues were \$93 million over budget for the same period, up from the previously reported \$80 million over budget.

In regards to the sale and use tax (“SUT”), Acosta Febo reaffirmed that the December revenues totaled \$107.7 million, the highest amount since the SUT was implemented in November 2006. The increase was \$7.9 million or 7.9 percent higher compared to last year. Cumulative revenues this year were up \$35.5 million or 6.2% from the same period last fiscal year

Acosta Febo also announced that the distribution of the revenue estimate for the remainder of fiscal year 2013-14 has been revised. The revenue estimate included in the 2013-14 budget included several revenue measures for which there was no prior experience. Given this, the Secretary previously stated that, after the first six months of experience with the new revenue measures in place, the Department would evaluate these measures and their results for the current fiscal year.

“Revenues for the first semester of the current fiscal year surpassed the budget amount by \$93 million, with individual revenue line items that reflect variations from the estimates. For example, in the case of the individual income taxes, revenues are under budget by \$49 million, while corporate income taxes were \$108 million over budget. Part of the reason for this is the number of public employees who retired during the last fiscal year.”

The Secretary added that the distribution of the total revenue estimate was revised among individual line items for the next six months, taking into consideration trends during the first six months, the actual vs. estimated tax effect of the approved tax legislation, and the administrative and fiscal actions planned to achieve the budgeted revenues. “The total amount of the revenue estimate remained the same, \$9,525 million, but many of the line items were revised given the experience of the first six months,” Acosta stated. More information regarding the revision of the revenue estimates is available in www.gdb-pur.com and in the upcoming webcast.

Acosta Febo stated that the Department will continue monitoring the revenues on a monthly basis to determine any variation that could affect the budget estimate. The Secretary confirmed that this information was shared with rating agencies during the administration’s meetings last week.

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Final General Fund Net Revenues
December
(million \$)

Items	December		Dif.	Estimate December	Collections vs. Estimate
	2012-13	2013-14			
Gross General Fund Net Revenues	771.7	974.3	202.6	960.3	14.0
Reserve for Refund	(49.0)	(49.0)	0.0	(49.0)	0.0
General Fund Net Revenues	722.7	925.3	202.6	911.3	14.0
Individual	172.4	172.6	0.2	167.6	5.0
Corporations	147.1	305.5	158.4	323.3	(17.8)
Non-Resident Withholdings	124.4	73.8	(50.6)	71.1	2.7
Sales and Use Tax	0.0	0.0	0.0	26.0	(26.0)
Property Taxes	1.1	0.8	(0.3)	0.0	0.8
Foreign (Act. 154)	115.6	176.5	60.9	156.3	20.2
Alcoholic Beverages	30.4	26.5	(3.9)	29.7	(3.2)
Cigarettes	15.1	15.8	0.7	17.5	(1.7)
Motor Vehicles	42.3	40.7	(1.6)	43.6	(2.9)
Excises on Off-Shore Shipment Rum	22.7	25.6	2.9	12.7	12.9
Others	51.6	87.5	35.9	63.5	24.0

Final General Fund Net Revenues
July-December FY 2013-14
(million \$)

Items	July-December Collections		Dif.	Estimate Jul-Dec	Collections vs. Estimate
	2012-13	2013-14			
Gross General Fund Net Revenues	3,715.4	4,252.6	537.2	4,160.1	92.5
Reserve for Refund	(294.0)	(294.0)	0.0	(294.0)	0.0
General Fund Net Revenues	3,421.4	3,958.6	537.2	3,866.1	92.5
Individual	925.5	879.5	(46.0)	928.8	(49.3)
Corporations	485.7	923.7	438.0	815.8	107.9
Non-Resident Withholdings	345.3	432.6	87.3	421.8	10.8
Sales and Use Tax	0.0	0.0	0.0	26.0	(26.0)
Property Taxes	6.4	10.1	3.7	0.0	10.1
Foreign (Act. 154)	898.4	900.5	2.1	891.7	8.8
Alcoholic Beverages	145.4	143.2	(2.2)	145.6	(2.4)
Cigarettes	88.6	80.5	(8.1)	88.8	(8.3)
Motor Vehicles	194.6	195.7	1.1	196.3	(0.6)
Excises on Off-Shore Shipment Rum	134.4	158.3	23.9	144.3	14.0
Others	197.1	234.5	37.4	207.0	27.5