

PRESS RELEASE

TRANSLATION



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TREASURY COLLECTS \$709.3 MILLION IN FEBRUARY, UP BY \$39.4 MILLION, OR 5.9%, COMPARED TO FEBRUARY 2014

(San Juan, Puerto Rico) – Treasury Secretary Juan Zaragoza Gómez announced that General Fund net revenues totaled \$709.3 million in February, up \$39.4 million, or 5.9%, from February 2014, and \$6.5 million, or 0.9%, below estimates.

One of the main revenue drivers was the \$319 million in income taxes, which exceeded February 2014 collections by \$35 million. All components of this category reflected increases when compared to February 2014. Individual income taxes rose by \$28.8 million, while corporate income taxes and non-residents withholdings were up by \$4.3 million and \$3.0 million, respectively.

Zaragoza Gómez stated that the 6.0% state Sales and Use Tax (SUT) revenue rose to \$112.4 million, beating February 2014 SUT revenues by \$3.9 million, or 3.6%. Total SUT revenues will be distributed as follows: 0.5%, or \$9.3 million, are transferred to the Municipal Administration Fund and \$270,000, to the Film, Arts, Sciences and Industry Development Corporation. Once these adjustments are made, the General Fund will have received \$102.8 million.

In the excise tax collections categories there were mixed results. Foreign excise tax (Act 154) revenues were up by \$38.7 million year-over-year. Alcoholic beverages, motor vehicles, and tobacco products decreased by \$4.9 million, \$15.8 million and \$2.6 million, respectively.

The Treasury Secretary pointed out that fiscal year-to-date collections are \$121.7 million, or 2.4%, below estimates. In order to close this gap, he announced that a bill of law (H.R. 2316) was

introduced allowing the pre-payment of a special tax on certain transactions. This bill is expected to be passed into law in the coming days. One of these transactions will be a pre-payment, at a reduced rate of 5% or 8%, of taxes on corporate dividends for future distributions of accrued benefits and profits. It also provides a window to pre-pay IRAs and Educational Contribution Accounts until March 31, 2015. This will provide alternatives to taxpayers, and encourage retirement and education savings, while also providing tax relief. In addition, the bill provides an incentive plan to pay debts for income, estate, gift, excise, and sales and use taxes, as well as employer withholdings. The bill also establishes an incentive plan for voluntary disclosure of income and payment of the corresponding taxes. The deadline to benefit from this incentive plan and make payments will be June 30, 2015. Zaragoza Gómez stated that projected revenues from these measures are \$160 million. In addition to promoting tax compliance, these measures will provide the General Fund with additional funds prior to the enactment of Puerto Rico's comprehensive tax overhaul bill.

General Fund Net Revenues
February
(million of \$)

Items	February		Dif.	Estimate February	Collections vs. Estimate
	2013-14	2014-15			
Gross General Fund Net Revenues	718.9	748.3	29.4	754.8	(6.5)
Reserve for Refund	(49.0)	(39.0)	10.0	(39.0)	-
General Fund Net Revenues	669.9	709.3	39.4	715.8	(6.5)
Individual	129.7	158.5	28.8	147.9	10.6
Corporations	33.6	37.8	4.3	35.8	2.0
Non-Resident Withholdings	118.1	121.1	3.0	118.1	3.0
Sales and Use Tax	99.2	102.8	3.6	117.5	(14.7)
Property Taxes	1.4	1.1	(0.4)	-	1.1
Foreign (Act. 154)	172.7	211.4	38.7	181.0	30.4
Alcoholic Beverages	22.7	17.8	(4.9)	21.7	(3.9)
Cigarettes	12.5	9.9	(2.6)	12.3	(2.4)
Motor Vehicles	39.6	23.9	(15.8)	38.0	(14.1)
Excises on Off-Shore Shipment Rum	17.6	5.4	(12.1)	17.7	(12.3)
Others	22.8	19.6	(3.3)	25.8	(6.3)

General Fund Net Revenues
July to February
(million of \$)

Items	July - February		Dif.	Estimate Jul - Feb	Collections vs. Estimate
	2013-14	2014-15			
Gross General Fund Net Revenues	5,699.9	5,476.4	(223.6)	5,598.1	(121.7)
Reserve for Refund	(392.0)	(312.0)	80.0	(312.0)	-
General Fund Net Revenues	5,307.9	5,164.4	(143.6)	5,286.1	(121.7)
Individual	1,184.4	1,427.7	243.3	1,418.1	9.6
Corporations	1,051.2	919.9	(131.3)	949.7	(29.8)
Non-Resident Withholdings	594.5	587.7	(6.8)	460.5	127.2
Sales and Use Tax	191.1	194.1	3.1	264.70	(70.6)
Property Taxes	12.8	10.7	(2.0)	0.0	10.7
Foreign (Act. 154)	1,214.7	1,151.1	(63.6)	1217.0	(65.9)
Alcoholic Beverages	187.4	174.2	(13.2)	186.7	(12.5)
Cigarettes	113.9	103.2	(10.7)	109.4	(6.2)
Motor Vehicles	271.4	189.8	(81.6)	264.5	(74.7)
Excises on Off-Shore Shipment Rum	191.6	128.7	(63.0)	155.3	(26.6)
Others	295.1	277.3	(17.8)	260.2	17.1

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