



Treasury Department Reports Revenue Increases for the First Five Months of the Fiscal Year

November Revenues Increase to \$531 Million

San Juan, Puerto Rico (January 22, 2020) – Treasury Secretary, Francisco Parés-Alicea, informed that preliminary net revenues to the General Fund during the month of November reached \$531 million. With this amount, the total revenues for the first five months of the fiscal year add up to \$4.2 billion, which represent an increase over the revenues for the same period last year.

“This figure represents \$680 million or 19.2 percent more than the total collected during the same period of the previous year. In addition, the accrued revenue forecast for the July to November period was exceeded by \$596 million or 16.4 percent,” the Secretary stated.

Compared to the revenues for November of the previous year, there was a net reduction of \$25.9 million. Collections for the individual taxes item registered a reduction of \$19 million that could be associated to a delay in payments from employers related to the leave days granted to employees at the end of the month. However, the performance of the corporations tax sector continues showing strong signs. For this period, revenues from this sector exceeded the revenues for the previous year by \$33.3 million or 69 percent.

Revenues from motor vehicle excise taxes exceeded the forecast by \$52 million or 39.8 percent. Likewise, revenues accrued from taxes paid by foreign corporations under Act 154-2010 totaled \$732.6 million for the fiscal period from July to November, which exceeds the forecast by \$33 million or 4.5 percent.

As for the revenues from the sales and use tax (SUT) entering the general fund, the Secretary highlighted that the first five months of the fiscal year registered a \$16.1 million increase over the same period for the previous year. The month of November registered an increment of \$26.3 million or 25.7 percent

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On the other hand, taxable sales of businesses qualified by the Department that retain the 7% rate in prepared foods increased by 10.4 percent as compared to the month on November last year. This confirms that constant life monitoring of the behavior and compliance of businesses through the Internal Revenue Unified System (SURI, by is Spanish acronym) results in greater effectiveness in revenue collections. Likewise, it shows a positive response of consumers by sponsoring businesses that have a reduced rate certificate and, hence, entices the competition to obtain the certificate and keep in compliance.

Finally, Parés-Alicea stressed his commitment to continue integrating initiatives to modernize and expand their services and help to facilitate the management of taxes. "Our objective is to facilitate compliance, as well as detect infringers and improve services rendered to taxpayers through our digital platform. The positive trend of revenues during the first five months of the fiscal year is a good indicator that gives us great satisfaction for the work done," he concluded.

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General Fund Net Revenues November (million of \$)

| Items | November Revenues | | | Forecast | Actual Collection |
|-----------------------------------|-------------------|---------|--------|----------|-------------------|
| | 2018-19 | 2019-20 | Dif. | November | vs. Forecast |
| Gross General Fund Net Revenues | 586.4 | 585.99 | (0.4) | 657.6 | (71.6) |
| Reserve for Refund | (29.5) | (55.0) | (25.5) | (55.0) | - |
| General Fund Net Revenues | 556.9 | 530.99 | (25.9) | 602.6 | (71.6) |
| Individual | 145.7 | 126.8 | (18.9) | 129.8 | (3.0) |
| Corporations | 48.2 | 81.6 | 33.3 | 55.6 | 26.0 |
| Non-Resident Withholdings | 37.8 | 23.6 | (14.2) | 39.4 | (15.8) |
| Sales and Use Tax | 102.3 | 128.6 | 26.3 | 214.9 | (86.3) |
| Foreign (Act. 154) | 101.8 | 63.3 | (38.5) | 64.1 | (0.8) |
| Alcoholic Beverages | 25.6 | 19.0 | (6.6) | 22.4 | (3.4) |
| Cigarettes | 9.4 | 3.6 | (5.8) | 14.4 | (10.8) |
| Motor Vehicles | 50.3 | 44.0 | (6.3) | 24.9 | 19.1 |
| Excises on Off-Shore Shipment Rum | 15.2 | 8.5 | (6.7) | 16.7 | (8.2) |
| Others | 20.5 | 32.0 | 11.5 | 20.4 | 11.7 |

General Fund Net Revenue November (million of \$)

| Items | July - November Revenues | | | Forecast | Actual Collection |
|-----------------------------------|--------------------------|---------|--------|-----------------|-------------------|
| | 2018-19 | 2019-20 | Dif. | July - November | vs. Forecast |
| Gross General Fund Net Revenues | 3,795.7 | 4,501.0 | 705.2 | 3,905.0 | 595.9 |
| Reserve for Refund | (255.5) | (281.0) | (25.5) | (281.0) | - |
| General Fund Net Revenues | 3,540.2 | 4,220.0 | 679.7 | 3,624.0 | 595.9 |
| Individual | 684.8 | 770.6 | 85.7 | 701.4 | 69.2 |
| Corporations | 635.0 | 1,325.1 | 690.1 | 736.4 | 588.7 |
| Non-Resident Withholdings | 243.4 | 156.0 | (87.4) | 228.7 | (72.7) |
| Sales and Use Tax | 501.1 | 517.2 | 16.1 | 645.5 | (128.3) |
| Foreign (Act. 154) | 822.0 | 765.6 | (56.4) | 732.6 | 33.0 |
| Alcoholic Beverages | 122.0 | 106.8 | (15.2) | 100.2 | 6.6 |
| Cigarettes | 53.6 | 28.7 | (24.9) | 72.1 | (43.4) |
| Motor Vehicles | 226.4 | 182.9 | (43.5) | 130.9 | 52.0 |
| Excises on Off-Shore Shipment Rum | 138.2 | 144.3 | 6.1 | 141.3 | 3.0 |
| Others | 113.7 | 222.7 | 109.1 | 135.0 | 87.7 |

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