

# PRESS RELEASE



## Office of the Secretary

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### **PRELIMINARY FISCAL YEAR-TO-DATE REVENUES SURPASS LAST YEAR PERIOD BY \$269 MILLION OR 4.6%**

***March SUT collections increase 8.3% year-over-year, highest level of collections for  
a month of March since tax imposed in 2006***

**(San Juan, Puerto Rico)** – Department of the Treasury Secretary Melba Acosta Febo reported that preliminary revenues accrued this fiscal year for the period of July to March totaled \$6,080 million, about \$269 million, or 4.6 %, more than the previous year, and \$86 million over the estimate for the period.

Acosta Febo noted that this increase in revenues occurred even though the number for preliminary net revenues to the General Fund, \$785 million, is not comparable to that of March of last year because it included non-recurring revenues that did not repeat this year.

“In March of last year, \$241 million from the Debt Redemption Fund went into the General Fund, which equaled an amount related to certain cancelled swaps. This measure was taken in order to manage the \$965 million deficit in collections that this administration encountered in January of 2013. This transfer of revenues will not recur this year. For comparative purposes, if the collections for last year were adjusted to account for that amount, revenues for this month would show an increase of \$19 million or 2.5%, she said.

Regarding revenues from the Sales and Use Tax (SUT), the Secretary stated that March collections amounted to \$93.5 million, the highest level of collections for a month of March since

the SUT was implemented in November of 2006. This amount represented a \$7.1 million, or 8.3% increase year-over-year, the highest rate observed this fiscal year since July of 2013.

The month of March saw fluctuations in collections for the main categories of revenues. Total collections from income taxes amounted to \$395 million in March, which was about \$20 million less when compared to March 2013. Individual income tax collections increased \$10 million, or 6.6%. Corporate income taxes and non-resident withholdings saw reductions of \$16 and \$13 million, respectively.

Total excise tax collections registered an increase of \$34 million, or 17%. This increase is mainly attributed to two categories of excise taxes. The excise tax on foreign corporations, which increased \$31 million, and the insurance premium tax, which increased \$14 million. There were changes in both of these excise taxes. With respect to the excise tax on foreign corporations, the rate was increased from 2.75% to 4%, and in the case of the insurance premium tax, a rate of 1% was imposed. There were reductions in several other categories of exercise taxes, including distilled spirits, motor vehicles, and cigarettes.

“This month’s satisfactory collections have been beneficial as we continue to work towards reducing the deficit and achieving a balanced budget for the coming fiscal year. We will spare no effort in our endeavors to continue down this path. We are also implementing strict measures for controlling expenses, which will set the foundation for the economic progress of the Island,” concluded Acosta Febo.

General Fund Net Revenues  
March  
(million of \$)

Items	March		Dif.	Estimate March	Collections vs. Estimate
	2012-13	2013-14			
Gross General Fund Net Revenues	1056.5	834.1	(222.3)	843.8	(9.7)
Reserve for Refund	(49.0)	(49.0)	0.0	(49.0)	0.0
General Fund Net Revenues	1,007.5	785.1	(222.3)	794.8	(9.7)
Individual	156.4	166.7	10.3	167.0	(0.3)
Corporations	85.0	68.6	(16.4)	138.1	(69.5)
Non-Resident Withholdings	169.0	156.5	(12.5)	75.3	81.2
Sales and Use Tax	86.1	93.2	7.1	97.0	(3.8)
Property Taxes	0.6	1.6	1.0	1.0	0.6
Foreign (Act. 154)	112.3	143.0	30.7	163.4	(20.4)
Alcoholic Beverages	19.3	18.7	(0.5)	22.1	(3.4)
Cigarettes	15.8	10.4	(5.3)	15.4	(5.0)
Motor Vehicles	34.4	30.3	(4.1)	42.4	(12.1)
Excises on Off-Shore Shipment Rum	16.3	15.2	(1.1)	9.6	5.6
Others	312.3	80.9	(231.4)	63.5	17.4

General Fund Net Revenues  
July - March FY 2013-14  
(million of \$)

Items	July-March Collections		Dif.	Estimate Jul-Mar	Collections vs. Estimate
	2012-13	2013-14			
Gross General Fund Net Revenues	6,252.1	6,521.2	269.1	6,434.9	86.3
Reserve for Refund	(441.0)	(441.0)	0.0	(441.0)	0.0
General Fund Net Revenues	5,811.1	6,080.2	269.1	5,993.9	86.3
Individual	1,388.4	1,351.1	(37.3)	1,334.8	16.3
Corporations	651.8	1,119.8	468.0	1,166.3	(46.5)
Non-Resident Withholdings	793.3	751.0	(42.3)	635.8	115.2
Sales and Use Tax	258.6	271.5	12.8	278.7	(7.2)
Property Taxes	9.2	14.3	5.2	13.0	1.3
Foreign (Act. 154)	1,288.0	1,357.7	69.7	1,371.7	(14.0)
Alcoholic Beverages	206.1	206.1	(0.0)	206.9	(0.8)
Cigarettes	134.7	124.3	(10.4)	126.6	(2.3)
Motor Vehicles	304.6	301.7	(2.9)	316.1	(14.4)
Excises on Off-Shore Shipment Rum	202.5	206.9	4.4	192.3	14.6
Others	573.9	375.9	(198.0)	351.7	24.2