

# PRESS RELEASE

TRANSLATION



## Office of the Secretary

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### **TREASURY ANNOUNCES PRELIMINARY SEPTEMBER REVENUES REFLECTING A \$109 MILLION, OR 18% INCREASE**

1<sup>st</sup> Quarter FY 2014 revenues are up by \$70 million, or 4.4%, year-over-year

**(San Juan, Puerto Rico)** – Today, Treasury Secretary Melba Acosta Febo announced the preliminary September revenues, which reflect an increase of \$109 million, or 18 percent, compared to September 2012.

FY 2014 1<sup>st</sup> quarter preliminary revenues exceed the revenues for the same period last year by \$70 million, or 4.4 percent, and are below current budget estimates by \$7 million. These preliminary figures are subject to change as the Treasury accounts for additional collections. Final revenues will be reported later this month.

“We feel confident about our preliminary first quarter FY 2014 revenue growth,” said Acosta Febo. “The preliminary figures demonstrate the results of the new tax legislation and the significant fiscal responsibility measures we’ve adopted. We continue to closely monitor revenue collections and reinforce fiscal oversight initiatives in order to meet our goals.”

The Sales and Use Tax (IVU, by its Spanish acronym) collections totaled \$97.5, a 5.3 percent year-over-year increase.

“These are the highest collections for the month of September since the IVU was implemented in November 2006. This increase is the result of the measures we’ve taken to expand the tax base, and is another positive fiscal signal,” she said.

The revenue increase in September was driven mainly from two revenue sources: corporate tax revenues and excise tax on foreign corporations. Corporate tax revenues totaled \$243 million, reflecting an \$88 million, or 57 percent, increase compared to September 2012. This increase is due to the tax changes resulting from Act 40, which introduced the computation of the gross receipts tax (or *patente nacional*, as it is known locally), among others. A quarterly payment of estimated taxes was due in September for most corporations. The 4 percent excise tax on foreign corporations was another significant category in September revenues, with collections totaling \$150 million, an increase of approximately \$30 million when compared to September 2012. This increase is a result of the tax rate change that was put in place in FY 2014.

General Fund Net Revenues  
accumulated, July to September, \$ million

Items	July Sep-13	July Sep-14	Diff.	Estimate Sep-14	Diff. Act. - Est.
Gross Total	1,757.9	1,828.2	70.3	1,835.4	(7.2)
Reserve	(147.0)	(147.0)	0.0	(147.0)	0.0
Net Total	1,610.9	1,681.2	70.3	1,688.4	(7.2)
					0.0
Individuals	438.8	421.3	(17.5)	448.1	(26.8)
Corporations	233.9	349.7	115.8	344.5	5.2
Non-resident withholdings	142.5	119.4	(23.1)	129.7	(10.3)
IVU	-	-		-	
Property Taxes	3.3	7.1	3.8	-	7.1
Foreign (Act 154)	446.2	435.0	(11.2)	416.4	18.6
Alcoholic Beverages	62.3	63.7	1.4	63.8	(0.1)
Cigarettes	43.7	37.6	(6.1)	38.0	(0.4)
Motor Vehicles	78.9	82.0	3.1	72.5	9.5
Off-shore shipments of rum	72.5	88.2	15.7	84.4	3.8
Others	88.8	77.2	(11.6)	91.0	(13.8)

preliminary

**IVU Collections**

**\$ million**

	FY2012-13	FY2013-14	Change	%	Estimate	Actual vs Estimate	%
Jul	\$102.9	\$111.5	\$8.6	8.4%	\$105.2	\$6.3	6.0%
Aug	\$93.9	\$96.3	\$2.4	2.6%	\$96.1	\$0.2	0.2%
Sep	\$92.6	\$97.5	\$4.9	5.3%	\$99.3	(\$1.8)	-1.8%
<b>Total</b>	<b><u>\$289.4</u></b>	<b><u>\$305.3</u></b>	<b><u>\$15.9</u></b>	<b>5.5%</b>	<b><u>\$300.6</u></b>	<b><u>\$4.7</u></b>	<b>1.6%</b>

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