

PRESS RELEASE

TRANSLATION



Office of the Secretary

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TREASURY COLLECTS OVER \$1.3 BILLION IN APRIL 2015, UP \$152 MILLION, OR 12.9%, COMPARED TO APRIL 2014

Fiscal year-to-date SUT revenues total nearly \$1.2 billion, a \$56 million, or 5%, year-over-year increase

(San Juan, Puerto Rico) – Treasury Secretary Juan Zaragoza Gómez announced that General Fund preliminary revenues totaled \$1,332 million in April 2015, a \$152 million, or 12.9%, increase compared to April 2014. Historically, this is the highest amount of revenues for the month of April, second only to April 2011.

The Treasury Secretary attributes the increase in revenues to the positive effects of the implementation of Act 44-2015 on March 30, 2015. This act allowed the pre-payment of a special tax on certain transactions through April 30, 2015. These transactions included: (1) a pre-payment, at a reduced rate of 5% or 8%, of taxes on corporate dividends for future distributions of accrued benefits and profits; and (2) a window to pre-pay IRAs and Educational Contribution Accounts. Revenues in this category were \$150 million in April, with \$116 million coming from taxes on dividends.

The Act 44- 2015 extends the period to take advantage of an incentive plan to pay debts for income, estate, gift, excise, and sales and use taxes (SUT), as well as employer withholdings, to June 30, 2015. In addition, the Act establishes an incentive plan for the voluntary disclosure of income, and payment of the corresponding taxes; and a pre-payment, at a reduced rate of 8%, of taxes on corporate dividends for future distributions of accrued benefits and profits. Zaragoza Gómez stated that revenues from all these measures, through June 30, 2015, are estimated to be \$160 million. The Treasury Secretary expects collections in this category to exceed estimates, since April collections were in the amount of \$150 million.

Additionally, total April collections were down by \$97 million compared to estimates. Zaragoza Gómez indicated that the cause of this decrease is mainly attributed to corporate income taxes, which were \$142 million below estimates. The reason for the decrease in this category was the elimination of the gross receipts tax (known in Spanish as *patente nacional*) provision of Act 238-2014, in preparation for the approval of the tax reform. Conversely, April revenue from individual income taxes was up by \$23 million from last year.

The Treasury Secretary confirmed that the 6% state portion of the SUT rose to \$120 million in April, a 4.2% year-over-year increase. Total SUT revenues were distributed as follows: 0.5%, or \$10 million, was transferred to the Municipal Administration Fund; \$270,000 to the Film, Arts, Sciences and Industry Development Corporation; and the General Fund received \$109.8 million after these adjustments were made. The 6% state portion of the fiscal year-to-date SUT revenue totaled \$1,172 million. After adjusting last year's revenue for comparison purposes, this category reflects a \$56 million, or 5%, increase.

The foreign corporation excise tax (Act 154) was up \$34.5 million, or 20.7%, from last year. For the third consecutive month, revenues in this category were above \$200 million, Zaragoza Gómez pointed out.

Lastly, the Treasury Secretary announced that FY 2015 year-to-date revenues totaled \$7,335 million, up \$62 million year-over-year, and \$251 million below estimates. Zaragoza Gómez indicated that he expects the incentives to pay debts and other administrative measures will help reduce this gap.

General Fund Net Revenues
April
(million of \$)

Items	April		Dif.	Estimate	Collections
	2013-14	2014-15		April	vs. Estimate
Gross General Fund Net Revenues	1,229.7	1,371.4	141.7	1,468.8	(97.4)
Reserve for Refund	(49.0)	(39.0)	10.0	(39.0)	-
General Fund Net Revenues	1,180.7	1,332.4	151.7	1,429.8	(97.4)
Individual	336.4	359.4	23.0	418.1	(58.7)
Corporations	400.9	376.8	(24.1)	518.4	(141.6)
Non-Resident Withholdings	42.7	51.1	8.4	42.7	8.4
Sales and Use Tax	105.3	109.8	4.5	123.4	(13.6)
Property Taxes	2.1	0.8	(1.3)	-	0.8
Foreign (Act. 154)	166.8	201.4	34.5	177.0	24.4
Alcoholic Beverages	19.7	21.6	1.8	20.1	1.5
Cigarettes	19.8	17.8	(2.0)	19.6	(1.8)
Motor Vehicles	31.4	23.0	(8.4)	30.9	(7.9)
Excises on Off-Shore Shipment Rum	17.2	12.2	(5.0)	15.1	(2.9)
Others	38.3	158.7	120.4	64.5	94.2

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

Items	July - April		Dif.	Estimate	Collections
	2013-14	2014-15		Jul - Apr	vs. Estimate
Gross General Fund Net Revenues	7,763.8	7,725.4	(38.4)	7,976.0	(250.6)
Reserve for Refund	(490.0)	(390.0)	100.0	(390.0)	-
General Fund Net Revenues	7,273.8	7,335.4	61.6	7,586.0	(250.6)
Individual	1,687.5	1,975.8	288.3	2,020.2	(44.4)
Corporations	1,520.7	1,401.4	(119.2)	1,550.5	(149.1)
Non-Resident Withholdings	793.7	690.4	(103.4)	659.7	30.7
Sales and Use Tax	389.6	402.5	12.9	497.5	(95.0)
Property Taxes	16.4	12.2	(4.3)	0.0	12.2
Foreign (Act. 154)	1,524.6	1,553.4	28.8	1,544.0	9.4
Alcoholic Beverages	225.8	215.7	(10.1)	226.2	(10.5)
Cigarettes	144.1	132.8	(11.3)	139.3	(6.5)
Motor Vehicles	333.1	241.3	(91.7)	324.6	(83.3)
Excises on Off-Shore Shipment Rum	224.1	153.4	(70.7)	187.7	(34.3)
Others	414.2	556.4	142.1	436.3	120.1

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