

TRANSLATION

###### PRESS RELEASE

**Office of the Secretary**

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**TREASURY COLLECTS $838.6 MILLION IN MARCH, A $53.5 MILLION, OR 6.8%, INCREASE COMPARED TO MARCH 2014**

***Corporate income tax revenues exceed prior year period by***

***$36.2 million and estimates by $22.4 million***

**(San Juan, Puerto Rico)** – Treasury Secretary Juan Zaragoza Gómez announced that General Fund revenues totaled $838.6 million in March, up by $53.5 million from March 2014. The 6.8% year-over-year increase is the highest increase registered during the past eight months.

The Officer pointed out that the March revenue increase was very important considering the fact that in March 2014 a corporation made a $119 million royalty payment for the use of patents in the manufacturing process. This payment was not recurrent in March 2015. Revenues were down by $31.5 million compared to estimates, which is specifically due to fact that the aforementioned payment had been included in the monthly estimates but was not received.

Zaragoza Gómez stated that main revenue drivers increased in March 2015 with respect to March 2014, and to estimates. For example, corporate income tax revenues were $104.8 million; this figure was up $36.2 million from March 2014 and $22.4 million above estimates. In addition, the Treasury Secretary pointed out that corporate revenues have not exceeded $100 million for a month of March since 2007. Individual income tax collections exceeded March 2014 collections by $22.0 million, a 13.2% increase.

The Treasury Secretary confirmed that the 6.0% state Sales and Use Tax (SUT) revenue rose to $107.9 million in March, a 5.8% year-over-year increase. Total SUT revenues were distributed as follows: 0.5%, or $9.0 million, was transferred to the Municipal Administration Fund, $270,000 to the Film, Arts, Sciences and Industry Development Corporation, and the General Fund received $98.6 million after these adjustments were made.

In the excise tax collections categories, the Treasury Secretary mentioned that there were mixed results, with upward trends dominating. The foreign corporation excise tax (Act 154) revenues were up by $57.9 million, or 40.5%, year-over-year. Alcoholic beverages and tobacco products collections increased by $1.3 and $1.4 million, respectively. In March, Motor vehicle excise tax collections, which have registered consecutive double digit percentage reductions throughout the fiscal year-to-date, registered the smallest reduction ($1.7 million, or 5.6%) in the last 9 months.

The Treasury Secretary announced that fiscal year-to-date revenues total $6.0 billion, which is $153.2 million, or 2.5%, below estimates. On March 30, 2015, the Governor approved Act No. 44-2015, known as the “Act to Incentivize the Payment of Taxes before the Tax System Overhaul,” which will allow the pre-payment of a special tax on certain transactions. These transactions include: (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; (2) a window to pre-pay IRAs and Educational Contribution Accounts until April 30, 2015, aimed at providing alternatives to taxpayers by encouraging retirement and educational savings, while also providing tax relief; and (3) an incentive plan to pay debts for income, estate, gift, excise, and sales and use taxes, as well as employer withholdings.

The act 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. Projected revenues from these measures are approximately $160 million. Zaragoza Gómez stated that, 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.





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