

PRESS RELEASE

TRANSLATION



Office of the Secretary

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Puerto Rico Treasury revenues total \$647 million in May. *Sales and Use Tax* revenues are up 9.2%

(San Juan, Puerto Rico) – Treasury Secretary Juan Zaragoza Gómez announced that May General Fund net revenues totaled \$646.9 million. This represented a \$106 million year-over-year decrease, as a result of some non-recurring transactions last year. Collections were down \$64 million compared to estimates.

In the principal revenue categories, individual income taxes decreased by \$2.2 million and corporate income taxes were down \$2.8 million. The foreign corporation excise tax (Act 154) was \$187.7 million in May 2015, compared to \$237.6 million in May 2014. This difference is the result of a non-recurring transaction that took place in May 2014, representing approximately \$73 million additional revenues last year. The “others” category also reflects a reduction in the amount of \$50.4 million, which is due to a non-recurring transaction related to the traditional lottery. “Basically, the non-recurring revenues in those two categories, foreign corporation excise taxes and “others”, explain the results observed in May revenues,” Zaragoza Gómez pointed out.

The Treasury Secretary also stated that fiscal 2015 year-to-date revenues totaled \$7,982 million, a \$44.7 million year-over-year reduction, and \$314.7 below estimates. He indicated that he expects the revenue generated by tax amnesty, as well as other administrative measures and tax legislation, will help reduce this gap.

Zaragoza Gómez stated that the 6% state Sales and Use Tax (SUT) revenue totaled \$118.5 million in May. After adjusting for the change in rate from 5.5% last year, this represents a \$108.7 million, or 9.2%, year-over-year increase.

“May’s sales tax revenues reflect the highest monthly growth during this fiscal year. Total SUT fiscal year-to-date collections (July-May) at the 6.0% state rate rose to \$1,290.9 million, a \$66.0 million, or 5.4%, increase after adjusting last year’s collections for comparison purposes,” he said. The Treasury Secretary emphasized the significance of this increase, given the Planning Board’s personal consumption expenditures estimates. Zaragoza Gómez mentioned that the changes to the collection of SUT at ports has had a favorable impact on overall SUT collections.

“As part of the plan to improve fiscal oversight of SUT collection at ports and improve SUT capture, the Treasury Department implemented the second phase of the Integrated Merchant Portal (PICO, by its Spanish acronym) on May 1, 2015. The first phase of PICO began in November 2014, when the temporary procedure of automatically releasing imported merchandise was annulled, but only with respect to bonded importers. As such, the temporary-lift procedure remained in effect for all non-bonded importers. Therefore, non-bonded importers were not required to pay the corresponding SUT when picking up goods at the docks, and were instead using the monthly import return form. With the implementation of the second phase of PICO, all importers subject to the SUT – bonded and non-bonded – must complete a declaration and a corresponding SUT payment when picking up goods from the docks. This has undoubtedly been a main driver of the SUT revenue increase,” the Treasury Secretary pointed out.

The Officer urged taxpayers who have debts to utilize tax amnesty, as provided by Act 44-2015 of March 30, 2015, which extended the period to take advantage of an incentive plan to pay debts, without interest, penalties or surcharges, 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.

General Fund Net Revenues
May
(million of \$)

Items	May		Dif.	Estimate May	Collections vs. Estimate
	2013-14	2014-15			
Gross General Fund Net Revenues	802.1	685.9	(116.2)	749.9	(64.0)
Reserve for Refund	(49.0)	(39.0)	10.0	(39.0)	-
General Fund Net Revenues	753.1	646.9	(106.2)	710.9	(64.0)
Individual	132.5	130.3	(2.2)	156.1	(25.8)
Corporations	79.5	76.7	(2.8)	77.9	(1.2)
Non-Resident Withholdings	51.1	42.9	(8.2)	51.1	(8.2)
Sales and Use Tax	99.3	108.4	9.1	118.2	(9.8)
Property Taxes	1.6	1.4	(0.2)	0.0	1.4
Foreign (Act. 154)	237.6	187.7	(49.9)	175.0	12.7
Alcoholic Beverages	15.8	17.9	2.2	25.2	(7.3)
Cigarettes	13.0	10.0	(3.0)	12.9	(2.9)
Motor Vehicles	28.7	27.1	(1.6)	27.6	(0.5)
Excises on Off-Shore Shipment Rum	16.6	17.4	0.7	17.4	(0.0)
Others	77.4	27.0	(50.4)	49.5	(22.5)

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

Items	July - May		Dif.	Estimate July- May	Collections vs. Estimate
	2013-14	2014-15			
Gross General Fund Net Revenues	8,565.9	8,411.2	(154.7)	8,725.9	(314.7)
Reserve for Refund	(539.0)	(429.0)	110.0	(429.0)	0.0
General Fund Net Revenues	8,026.9	7,982.2	(44.7)	8,296.9	(314.7)
Individual	1,820.0	2,106.2	286.2	2,176.2	(70.0)
Corporations	1,600.2	1,478.2	(122.0)	1,628.4	(150.2)
Non-Resident Withholdings	844.9	733.3	(111.6)	710.9	22.4
Sales and Use Tax	488.8	510.9	22.1	615.7	(104.8)
Property Taxes	18.1	13.6	(4.5)	-	13.6
Foreign (Act. 154)	1,762.1	1,741.1	(21.0)	1,719.0	22.1
Alcoholic Beverages	241.6	233.7	(7.9)	251.4	(17.7)
Cigarettes	157.1	142.8	(14.3)	152.2	(9.4)
Motor Vehicles	361.7	268.4	(93.3)	352.1	(83.7)
Excises on Off-Shore Shipment Rum	240.7	170.8	(69.9)	205.1	(34.3)
Others	491.6	583.4	91.8	485.9	97.5

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