



COMMONWEALTH OF
PUERTO RICO

Government Development Bank
for Puerto Rico

Commonwealth of Puerto Rico

Revenue Estimates

Fiscal Year 2013-2014

As of September 30, 2013





Disclaimer

Revenue Estimates for Fiscal Year 2013-2014 include General Fund Revenues and are based on currently available information and expectations of the Department of the Treasury. The Revenue Estimates are subject to certain risks and uncertainties and are preliminary and subject to change. Actual General Fund Revenues of the Commonwealth of Puerto Rico for Fiscal Year 2013-2014 may therefore vary significantly from those set forth in the published estimates. None of Commonwealth of Puerto Rico, the Department of the Treasury nor the Government Development Bank for Puerto Rico undertake to update the Department of the Treasury's projection to reflect the impact of circumstances or events that may arise after the date of publication.

Commonwealth of Puerto Rico

Revenue Estimates

As of September 30, 2013



Monthly Revenue Estimates and Actual Results

Tax Type	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
	Actual FY 2014 Q1 Results			Monthly Revenue Estimates for Remainder of FY 2014									
Individuals	\$140,399	\$129,189	\$145,765	\$162,490	\$150,636	\$167,582	\$170,607	\$137,744	\$166,953	\$375,361	\$155,681	\$152,857	\$2,055,264
Corporations	83,261	23,924	250,501	122,353	25,615	323,319	53,184	20,475	55,620	708,784	53,777	415,381	2,136,194
Non-Resident Withholdings	28,711	41,600	49,392	176,095	44,894	71,100	78,452	60,303	75,265	60,000	43,634	80,583	810,029
Sales and Use Tax (SUT)	0	0	0	0	0	26,021	157,104	131,423	124,027	136,125	135,832	154,468	865,000
Act 154 Excise Tax	134,984	150,312	149,727	150,188	168,733	156,361	143,243	202,097	160,993	182,036	191,334	184,629	1,974,637
Alcoholic Beverages	19,215	25,200	19,292	25,472	26,640	29,659	22,768	19,320	21,524	19,675	23,530	31,599	283,894
Tobacco Products	17,299	10,728	9,691	16,996	16,324	17,529	17,296	13,429	19,092	15,578	14,764	17,043	185,769
Motor Vehicles	13,292	37,187	30,182	41,230	39,071	43,566	41,896	37,145	42,401	37,546	36,789	39,896	440,201
Off-Shore Rum Shipment Excise Tax	29,176	31,522	27,515	24,617	22,657	12,688	4,182	14,357	15,572	12,975	13,867	16,722	225,850
Other	28,664	23,048	49,038	26,403	25,992	63,463	26,697	27,708	118,669	37,519	30,738	100,633	558,572
Total	\$495,001	\$472,710	\$731,103	\$745,844	\$520,562	\$911,288	\$715,429	\$664,001	\$800,116	\$1,585,599	\$699,946	\$1,193,811	\$9,535,410

Source: Department of the Treasury

Revenue Estimates Description*



- **Seasonality/Monthly Revenue Distribution** - Estimated monthly revenues are calculated based on the statutory seasonality of taxes, past revenue performance and general historical trends. For purposes of FY 2014 revenues, such revenues take into account the times of the year in which the fiscal initiatives budgeted for such fiscal year are expected to come into effect.
- **Individuals** - April experiences the highest collections each fiscal year, as personal income tax filings are due in April. FY2014 estimates reflect the impact of certain measures imposed by Act 40-2013, including a 2% top-line tax on sole proprietorships and self-employed professionals earning over \$200,000 and a limit on mortgage interest deductions.
- **Corporations** - Most corporations make estimated tax payments four times each Fiscal Year: on September, December, April, and June. April historically receives the highest allocation of monthly corporate revenues because corporations must pay estimated taxes for such calendar year and also file the last income tax returns for the prior calendar year. For fiscal year FY 2014, corporate tax revenues are estimated to increase significantly as a result of, among other things, a gross receipts tax, an adjustment to the corporate AMT and the reinstatement of 2010 corporate tax rates. April FY 2014 revenues also reflect a moratorium on certain tax credits with questionable economic impact.
- **Sales and Use Tax** - SUT revenues flow to COFINA until COFINA receives the “Pledged Sales Tax Base Amount” for such fiscal year. Revenue estimates includes the effect of SUT base expansion.
- **Non-Resident Withholdings** - October estimates include the effect of two one time payments related to a federal audit.
- **Act 154 Excise Tax** - Reflects an increase for FY 2014 in the Act 154 excise tax to 4%. For FY 2013, the Act 154 excise tax was 3.75% until December 31, 2012 and 2.75% for the remaining months of FY 2013. The Act 154 excise tax is collected and accrued by the Treasury Department one month in arrears.
- **Alcoholic Beverages** - Subject to seasonal factors, including higher consumption during summer months and holidays.
- **Tobacco Products** - Reflects effect of legislated increase in cigarette excise tax.
- **Motor Vehicles** - July FY 2014 estimate reflects a decrease of \$25 million as a result of a green energy initiative.
- **Off-Shore Rum Shipment Excise Tax** - Imposed on shipments of rum from Puerto Rico to the United States mainland. During the first half of the fiscal year, revenues include monies used to make debt service payments on approximately \$117 million of bonds secured by such excise tax. Revenues for the second half of the fiscal year reflect the net effect of incentive payments for local rum production.
- **Other** - Includes, among other things, (i) lottery revenues, which are expected to increase during FY 2014 as a result of new lottery revenue initiatives (electronic lottery revenues are received in September, December, March and June), (ii) casino revenues, which are estimated to increase as a result of an increase in the maximum amount of legally authorized slot machines, (iii) a new 1% tax on insurance premiums, which is expected to be received during the month of March, (iv) certain other income tax revenues arising from partnerships, tollgate taxes and interest and dividend payments, (v) inheritance and gift taxes, (vi) certain other miscellaneous excise taxes, and (vii) other miscellaneous non-tax revenues.

* For a more detailed description of Commonwealth revenues, including new revenue measures adopted for the FY 2014 budget, see “Commonwealth of Puerto Rico, Financial Information and Operating Data Report - Puerto Rico Taxes, Other Revenues, and Expenditures”, dated October 18, 2013.