



GOBIERNO DE PUERTO RICO
DEPARTAMENTO DE HACIENDA



Puerto Rico Treasury Reports Net Revenues to the General Fund for December 2017

San Juan, Puerto Rico (January 31, 2018) - Treasury Secretary Raúl Maldonado Gautier reported that net revenues to the General Fund recorded for the month of December 2017 totaled \$697.6 million, a \$101.9 million year-over-year reduction and \$65.8 million below estimates.

"A year-over-year comparison by categories reflects that the reduction is mainly attributed to the Act 154 foreign corporations excise tax, to the 'other revenue' category and the rum cover-over excise tax. Meanwhile, alcoholic beverage and cigarette excise taxes registered increases in December," Maldonado Gautier stated.

The Act 154 excise tax reflected a \$62.2 million year-over-year decrease. This fluctuation is explained by the fact that in 2017 some corporations reached the excise tax cap prior to December and, consequently, did not have to make payments in December. Other corporations have paid less this year due to changes in production levels.

The decrease in the "other revenue" category is related to the Lotería Electrónica transfer for the October-December quarter, as sales were affected by the passing of Hurricanes Irma and María. In December 2016, \$19.2 million went to the General Fund. No revenues were recorded for this category in December 2017. The rum cover-over excise tax category registered a \$15.5 million year-over-year decrease in December due to the manner in which these funds are distributed monthly.

December 2017 Sales and Use Tax collections totaled \$233.1 million, a year-over-year increase of \$11.8 million, or 5.3%. Of this total, \$99.9 million went to the General Fund. For the first time in three months, SUT revenues registered a year-over-year increase. The Treasury Secretary explained that this behavior is due to several factors. First, big taxpayers, as defined in the Internal Revenue Code, paid on the 15th day of the month in December 2017; this was not the case in December 2016. For this reason, part of the SUT corresponding to the Christmas sales period was received in December instead of January as was the case the previous year. In addition, in December 2017, payments corresponding to several months, which had been postponed by the Treasury Department for merchants that are not big taxpayers as a temporary relief measure from the economic effects caused by the hurricanes, were due.

Lastly, Maldonado Gautier reported that in the first half of Fiscal Year 2018 net revenues to the General Fund totaled \$3,623.1 million, a \$348.0 million, or 8.8%, year-over-year decrease, and were \$157.3 million, or 4.3%, below estimates for this period.

General Fund Net Revenues
December
(millions of \$)

Items	December		Dif.	Forecast December	Collections vs. Forecast
	2016- 17	2017- 18			
Gross total	839.3	735.6	(103.8)	801.4	(65.8)
Reserve for refund	(40.0)	(38.0)	2.0	(38.0)	-
Net total	799.3	697.6	(101.8)	763.4	(65.8)
Individuals	154.9	154.4	(0.4)	157.1	(2.7)
Corporations	219.9	208.4	(11.5)	211.9	(3.5)
Non-resident withholdings	50.3	50.1	(0.1)	48.1	2.0
Sales and use tax	94.9	99.9	5.1	99.1	0.8
Foreign (Act 154)	123.7	61.6	(62.2)	107.2	(45.7)
Alcoholic beverage	27.4	30.8	3.4	30.3	0.5
Tabacco products	11.8	20.5	8.7	15.6	4.9
Motor vehicles	40.9	37.3	(3.5)	35.2	2.1
Excises on off-shore shipment rum	28.8	13.3	(15.5)	21.5	(8.2)
Others	46.9	21.2	(25.7)	37.4	(16.2)

General Fund Net Revenues
July - December
(millions of \$)

Items	July - December			Forecast	Collections
	2016-17	2017-18	Dif.	Jul - Dec	vs. Forecast
Gross total	4,211.0	3,851.1	(359.9)	4,008.4	(157.3)
Reserve for refund	(240.0)	(228.0)	12.0	(228.0)	-
Net total	3,971.0	3,623.1	(347.9)	3,780.4	(157.3)
Individuals	854.4	750.8	(103.6)	819.0	(68.2)
Corporations	700.8	658.3	(42.5)	664.4	(6.1)
Non-resident withholdings	232.4	249.3	16.9	221.2	28.1
Sales and use tax	539.0	483.3	(55.7)	514.6	(31.3)
Foreign (Act 154)	1,003.2	855.8	(147.5)	944.0	(88.2)
Alcoholic beverage	128.4	130.4	2.0	134.3	(3.9)
Tabacco products	57.7	88.8	31.1	72.2	16.6
Motor vehicles	158.5	156.2	(2.3)	136.8	19.4
Excises on off-shore shipment rum	132.0	143.6	11.6	101.0	42.6
Others	164.7	106.6	(58.1)	172.9	(66.3)