



General Fund Revenues

Monthly Revenue Estimates Distribution

Fiscal Year 2014-2015
As of July 2014



Disclaimer



General Fund Revenue Estimates for Fiscal Year 2014–2015 are based on currently available information and expectations of the Department of the Treasury. The Revenue Estimates are subject to various risks and uncertainties, are preliminary and subject to change, and should not be relied upon as being necessarily indicative of future results. Actual General Fund Revenues of the Commonwealth of Puerto Rico for Fiscal Year 2014-2015 may vary significantly from those set forth in the published estimates. None of Commonwealth of Puerto Rico, the Department of the Treasury and 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. For more information about the Fiscal Year 2014-2015 Budget please refer to the “Commonwealth of Puerto Rico Quarterly Report Dated July 17, 2014”.



Commonwealth of Puerto Rico

Revenue Estimates

As of July, 2014



General Fund Monthly Revenue Estimates for FY 2015

Tax Type	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total
Individuals	\$ 157,214	\$ 142,765	\$ 169,985	\$ 219,433	\$ 144,248	\$ 240,306	\$ 196,158	\$ 147,972	\$ 184,022	\$ 418,068	\$ 156,057	\$ 179,772	\$ 2,356,000
Corporations	103,000	37,900	252,000	110,900	31,100	288,800	90,200	35,800	82,400	518,400	77,900	456,600	2,085,000
Non- Resident Withholdings	28,711	41,600	49,392	42,579	62,510	73,787	43,857	118,066	156,492	42,739	51,149	96,118	807,000
Sales and Use Tax (SUT)	-	-	-	-	-	828	146,384	117,453	109,463	123,373	118,235	119,264	735,000
Act 154 ExciseTax	208,000	122,000	155,000	158,000	109,000	148,000	136,000	181,000	150,000	177,000	175,000	171,000	1,890,000
Alcoholic Beverages	19,820	25,306	19,780	26,637	26,014	25,701	21,690	21,798	19,314	20,170	25,224	29,546	281,000
Tobacco Products	14,441	10,621	9,505	17,494	9,294	15,105	20,603	12,349	10,339	19,562	12,904	17,783	170,000
Motor Vehicles	16,760	35,700	28,975	41,314	29,995	39,091	34,631	38,058	29,084	30,967	27,549	27,876	380,000
Off-Shore Rum Shipment Excise Tax	17,122	29,858	25,912	27,671	21,795	11,765	3,507	17,661	17,323	15,075	17,374	19,937	225,000
Other	22,159	22,223	44,492	24,575	21,157	74,656	25,236	25,681	111,655	64,479	49,548	150,139	636,000
Total	\$ 587,227	\$ 467,973	\$ 755,041	\$ 668,603	\$ 455,113	\$ 918,039	\$ 718,266	\$ 715,838	\$ 870,092	\$ 1,429,833	\$ 710,940	\$ 1,268,035	\$ 9,565,000

Source: Department of the Treasury

Revenue Estimates Description



- **Seasonality/Monthly Revenue Distribution** – Estimated monthly revenues are based on the statutory seasonality of taxes, past revenue performance and general historical trends. For purpose of FY 2015 revenues, such revenues take into consideration the month 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. FY 2015 estimates reflect the impact of certain measures imposed by Act 77-2014. These measures include the elimination of the earned income tax credit and the reduction of bonuses to senior citizens (resulting in a monthly reduction on reserve for reimbursement); a special tax rate for prepayments of IRA's retirement plans and annuities (collection expected in October and December); adjustment to individual income tax AMT brackets and change to taxation of passive income (collections expected in April with the income tax filings).
- **Corporation** – 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 return for the prior calendar year. For FY 2015 Corporate tax revenues are estimated to increase as a result of, among other things, changes to gross receipts tax, which is now excluded from AMT.
- **Sales and Uses Tax** – Act 18, 2014 restructured the sales and use tax (SUT) so that the State tax is now six percent (6%) and established a special fund to be known as the "Municipal Administration Fund" (MAF). SUT revenues flow to COFINA until COFINA receives the "Pledged Sales Tax Base Amount" for such fiscal year. Once the amount corresponding to COFINA has been deposited, an amount equal 0.5% and 5.5% of the State SUT collected during the fiscal year shall be deposited in the MAF and in General Fund, respectively. For FY 2015, the Treasury Department will begin collecting the SUT at the point of entry/docks on August 1, 2014.
- **Non-Resident Withholdings** – Includes the tax imposed on royalties for the use of patents in the manufacturing industry's production processed. Estimated for AF 2015 excludes two non-recurrent payments received on October 2013, related to a federal audit.
- **Act 154 Excise Tax** – July of FY 2015 reflects an increase in the Act 154 excise tax from 2.75% to 4.0% (purchases are reported the month after they are incurred).
- **Alcoholic Beverages** – Subject to seasonal factors, including higher consumption during summer months and holidays.
- **Tobacco Products** – Based on last year's behavior, which included a increase in the tobacco excise tax.
- **Motor Vehicles** – July FY 2015 collection reflects a decrease of \$20 million as a result of change to Green Energy Fund.
- **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 payment on approximately \$117 million of bond secured by such excise tax. Revenues for the first semester are estimated on a rate of \$10.50 per gallon. Based on previous experience, is assumed the increase to \$13.25 per gallon will be enacted and will receive the federal retroactive reimbursement on January 2015.
- **Other** – Includes, among other things, (i) electronic lottery revenues, which are expected to increase during FY 2015 as a result of new lottery revenues initiatives (revenues are received during September, December, March and June), (ii) traditional lottery revenue are expected to be received on June, (iii) a full year 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.