



Agencia Tributaria

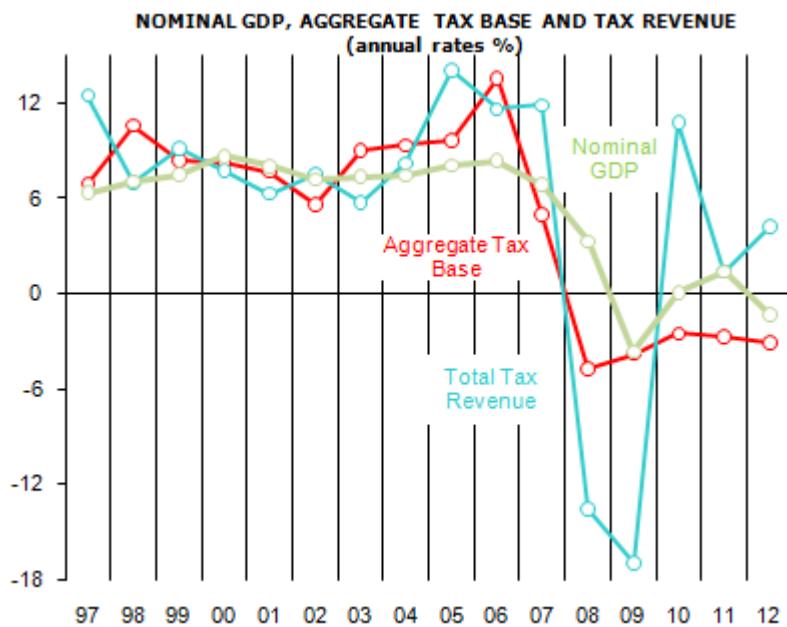
TAX REVENUE ANNUAL REPORT

2012

TAX REVENUE PERFORMANCE

Total tax revenue managed by Spanish Tax Agency amounted to €168.57 billion in 2012 and grew by 4.2% in a year-to-year comparison.

This increase was higher than the one recorded in 2011 (1.4%). It was scored in spite of economic downturn, with nominal GDP and tax bases rates not only negative but also falling deeper than in 2011. The reason for revenue improvement was again the fiscal consolidation policy, whose further rules have driven a strong positive impact on receipts.



Real **GDP** shrank by 1.4%, after a slight growth in 2011 (0.4%). Prices lessened their expansion and, therefore, nominal GDP fell by 1.3% instead of 1.4% climb in 2011. The decline was even more intense considering the macro magnitude more linked to tax bases, the **domestic demand**, which fell by 2.9%, compared with a small growth in 2011 (0.3%).

Tax bases were naturally affected by economic downturn, but some new laws have made them wider after balancing the negative impact caused by recession. In this way, though **aggregate tax base** did drop by 3.0%, the rate was not very different from 2011 performance (-2.7%). New laws impact on bases was particularly evident in Corporation Income Tax, which grew in spite of the poor evolution of businesses profits.

Fiscal consolidation policy was strengthened in 2012, after new significant laws, affecting collection, were passed. The value of additional impact on receipts is about **€11.24 billion**, despite a considerable part of it will affect 2013 yield, specially most of VAT rates rise upshot. Corporation Income Tax was the most affected category with 4.6 additional billion Euros in 2012, after law changes concerning base makeup as depreciation freedom removal, the new deduction limits for financial expenses, higher limits for tax losses offsetting or as the decrease of deduction limit for intangible assets. It was also passed a minimum instalment amount and a rates rise for corporations with turnover higher than €10 million (only in instalments). There were other new rules which have boosted revenue as the Personal



Income Tax extra charge (€3.6 additional billion), VAT rates rise since September 2012, which added €2.26 billion to revenue, and €1.2 billion more from taxation adjustments rules included in law for special self-assessment (RDL 12/2012).

Leaving apart this thrust to base, fiscal consolidation policy laws have increased **effective taxes rates** either. The actual average rate on income and spending grew by 4.5% (it changed to 14% from previous 13.4%). The increase overbalanced the bases fall and this is the reason why accrued revenue rose by 1.7%.

Cash revenue expanded more strongly mainly because of two factors: a meaningful enhance of receipts coming from deferments and compliance control and, on the other hand, a lower refunds payment advance at the end of the fiscal year, compared with preceding years.

Thus, **total tax revenue** came to €168.57 billion in 2012, figure that means a 4.2% growth, after the 1.4% scored in 2011. Most of the growth was achieved in the last part of the year, even though the economy performance was clearly declining, and it was in this way just because the effects of new laws came into force during the final quarter.

Corporation Income Tax recorded the leading increment, a 29.0%. The boost took place despite businesses profit kept on declining in 2012 and, therefore, the reason for this good performance is found around the deep changes in laws and administration procedures that have affected not only the tax yield itself but also the moment in which accrued revenue becomes cash revenue. Besides, in 2012 there were meaningfully higher receipts coming from preceding fiscal years compliance control. **Personal Income Tax** revenue developed by 1.2% in 2012, three points under the rate scored in 2011. The increase largely reflects the law changes, since households income shrank by 3.9%.

VAT revenue increased by 2.4% in 2012 in a background of sharp spending fall, pushed up by September rates rise and by a lesser amount of refunds paid. **Excise Taxes** revenue fell by 4.1% in 2012. Only Tobacco excise tax rose its rates but it was not enough to balance the consumption drop effect. As it was in 2011, only Beer (1.4%) and Electricity (9.8%, because of the prices rise) enlarged their receipts. Fuels (-7.5%), Tobacco (-2.6%) and Alcohol (-3.5%) had a lower yield.

TOTAL TAX REVENUE
€ Millions

	2008	2009	2010	2011	2012	(%)				
						08	09	10	11	12
Personal Income Tax	71.341	63.857	66.977	69.803	70.619	-1,8	-10,5	4,9	4,2	1,2
Corporations Income Tax	27.301	20.188	16.198	16.611	21.435	-39,1	-26,1	-19,8	2,5	29,0
Non-Residents Income Tax	2.262	2.342	2.564	2.040	1.708	-6,8	3,5	9,5	-20,4	-16,3
Other Revenue	107	74	88	118	1319	-6,5	-30,6	19,4	33,4	1017,5
DIRECT TAXES TOTAL	101.012	86.461	85.827	88.572	95.081	-15,8	-14,4	-0,7	3,2	7,3
Value Added Tax	48.021	33.567	49.086	49.302	50.464	-14,0	-30,1	46,2	0,4	2,4
Excise Taxes	19.570	19.349	19.806	18.983	18.209	-1,1	-1,1	2,4	-4,2	-4,1
+ Alcohol	903	802	810	772	745	-3,4	-11,1	0,9	-4,7	-3,5
+ Fuels	10.152	9.851	9.913	9.289	8.595	-5,3	-3,0	0,6	-6,3	-7,5
+ Tobacco	7.024	7.131	7.423	7.253	7.064	3,8	1,5	4,1	-2,3	-2,6
+ Electricity	1.187	1.271	1.363	1.372	1.507	11,4	7,0	7,3	0,7	9,8
Custom Duties	1.566	1.319	1.522	1.531	1.429	-9,0	-15,8	15,4	0,6	-6,7
Insurance Primes Tax	1.502	1.406	1.435	1.419	1.378	0,7	-6,4	2,1	-1,1	-2,9
Other revenue	18	15	44	15	113	43,7	-18,1	199,0	-67,0	678,5
INDIRECT TAXES TOTAL	70.677	55.655	71.893	71.250	71.594	-10,4	-21,3	29,2	-0,9	0,5
FEES AND OTHER REVENUE	1.765	1.907	1.816	1.938	1.892	-3,8	8,0	-4,8	6,7	-2,4
TOTAL TAX REVENUE	173.453	144.023	159.536	161.760	168.567	-13,6	-17,0	10,8	1,4	4,2