



Agencia Tributaria

**TAX REVENUE
ANNUAL REPORT**

2015



TAX REVENUE PERFORMANCE

Total tax revenue managed by Spanish Tax Agency widened to €182 billion in 2015 and rose by 4% over 2014 yield.

Revenue growth was mainly driven by a favourable economic environment. Real GDP grew by 3.2% in 2015 and this fact was related to economy recovery consolidation, after the rate 1.4% scored in 2015. The macroeconomic indicator most linked to tax bases, Nominal **Domestic Demand**, climbed to 3.7% growth after showing a higher pace than GDP increase in 2015. On one hand, real GDP recovery was completely based upon Domestic Demand enhance, provided that External Sector contribution subtracted several tenths to economic growth. On the other hand, GDP deflator fell in 2014 but achieved a slight raise in 2015 (0.6%).

Tax Revenue boost was lessened by direct taxation reform impact, which drove to a €6 billion receipts cutback, but it was pushed up by a higher collection of annual returns and compliance control receipts.

In 2015, the **aggregate tax base** of main taxes grew by 2%. It was the second year with a positive rate (2.3% in 2014) after six years-in-a-row falling down: it shrank by 16.5% overall after this period. Corporations Income Tax base excluded (affected by changes in its definition), aggregate base increased by 3.1% according to Domestic Demand growth. Indeed, the group of economic variables most influential in revenue evolution advanced more than 2% altogether. Changes in CIT base definition and fuel prices drop avoided a stronger aggregate tax base growth but without affecting to revenue progression. Gross households' income rose by 2.8% while spending subject to Value Added Tax came up to a 4.9% positive rate.

In 2015, **law changes** had a negative impact on revenue mainly because of direct taxes rates drop. Revenue reduction estimate ascended to €7.8 billion in 2015 and this figure differs from the positive impact measured in the previous five years, which added €37.6 billion to total tax revenue on the whole. The major impact was driven by changes related to direct tax reform whose effect on revenue was of nearly €6 billion. Tax reform included a gradual rates lowering route in 2015-2016, but once the law RDL 9/2015 was passed listed rates drop was more intense in the last part of the year, with a notable effect on revenue. The total impact can be split up into two parts: €4.9 billion estimate is due to the initial law changes and €1.1 billion to the further measures, in force from July on.

The **effective tax rate** on income and spending dropped by 0.8%. Rate on gross households' income shrank by 6.3% reflecting the remarkable impact of Personal Income Tax withholdings listed rates fall. Yet, the increase of the actual rate of two of the main taxes counterbalanced reform impact on global effective rate. First of them, the actual CIT base rate grew by 15%, following a first estimate. In the second place, Excise Fuel tax effective rate ascended by 18.1% as the prices before taxation fell as far as to force an increase of weight of taxation on consumptions value, even without any change in the excise law.

Accrued revenue expanded by 1.6% because effective rate drop was not as strong as tax base augment. Differences between accrued revenue and revenue collection were significant and positive when explaining total revenue increase



in 2015 and they were linked to a higher yield of annual returns and compliance control receipts. In this way, **total tax revenue** went up by 4%, 2.3% the direct taxes, 5.7% the indirect taxes and 18.2% the fees and other revenue.

Personal Income Tax total revenue fell by 0.4%. Tax base followed an enhancing evolution as a result of employment increase, reflected in the 2.8% gross households' income enlargement. Besides, the better economic situation of small businesses and capital gains improvement in 2014 drove to a noticeable advance of PIT annual return (receipts and most of refunds are included in the following fiscal year yield, 2015 in this case). Tax reform counterbalanced these factors with a 6.6% effective rate drop.

Corporation Income Tax boosted by 10.3%. Economy evolution, which pushed up corporations' profit, and the higher receipts from compliance control would have strengthened CIT growth if it had not been lessened by the fiscal reform and changes in deductible depreciation expenses.

VAT revenue rose by 7.4% mainly because of the noteworthy increment of the tax base, fed back also by a slender increase of effective rate.

Excise taxes revenue scaled by 0.2% over 2014's. Consumptions grew in 2015 (only Tobacco consumption fell, but by a lesser pace than in previous years) and there were no law changes. Fuel Tax, the one with highest yield, enlarged by 0.6%. Consumptions grew in a stronger way thanks to economy enhancement and to the significant contraction of prices, though the superior amount of health extra charge refunds reduced total revenue growth. Tobacco excise tax decreased slightly by 1.2%, with no law variations.

The **Environmental Taxes**, created in 2013, collected €1.9 billion in 2015, with an increase of 14.7%.

Finally, the **fees and other revenue** grew by 18.2% due to the new royalty on continental waters used for generation of electricity.

TOTAL TAX REVENUE
€ Millions

	2011	2012	2013	2014	2015	2015 (%)				
						11	12	13	14	15
Personal Income Tax	69.803	70.619	69.951	72.662	72.346	4,2	1,2	-0,9	3,9	-0,4
Corporations Income Tax	16.611	21.435	19.945	18.713	20.649	2,5	29,0	-7,0	-6,2	10,3
Non-Residents Income Tax	2.040	1.708	1.416	1.420	1.639	-20,4	-16,3	-17,1	0,2	15,5
Environmental taxes			1.570	1.625	1.864				3,5	14,7
Other Revenue	118	1319	167	195	256	33,4			16,9	31,3
DIRECT TAXES TOTAL	88.572	95.081	93.050	94.614	96.753	3,2	7,3	-2,1	1,7	2,3
Value Added Tax	49.302	50.464	51.931	56.174	60.305	0,4	2,4	2,9	8,2	7,4
Excise Taxes	18.983	18.209	19.073	19.104	19.147	-4,2	-4,1	4,7	0,2	0,2
+ Alcohol, beer and other	1.068	1.045	1.008	1.073	1.091	-3,5	-2,2	-3,5	6,4	1,7
+ Fuels	9.289	8.595	9.933	9.724	9.783	-6,3	-7,5	15,6	-2,1	0,6
+ Tobacco	7.253	7.064	6.539	6.661	6.580	-2,3	-2,6	-7,4	1,9	-1,2
+ Electricity	1.372	1.507	1.445	1.383	1.385	0,7	9,8	-4,1	-4,3	0,2
+ Coal			147	264	308					
Custom Duties	1.531	1.429	1.311	1.526	1.757	0,6	-6,7	-8,3	16,4	15,1
Insurance Primes Tax	1.419	1.378	1.325	1.317	1.355	-1,1	-2,9	-3,8	-0,6	2,9
Other revenue	15	113	86	113	164					
INDIRECT TAXES TOTAL	71.250	71.594	73.725	78.233	82.726	-0,9	0,5	3,0	6,1	5,7
FEES AND OTHER REVENUE	1.938	1.892	2.073	2.140	2.529	6,7	-2,4	9,5	3,2	18,2
TOTAL TAX REVENUE	161.760	168.567	168.847	174.987	182.009	1,4	4,2	0,2	3,6	4,0