

TAX REVENUE ANNUAL REPORT 2019

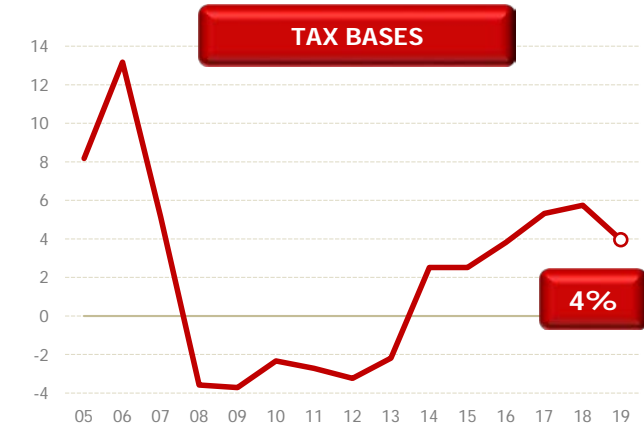
Total Tax Revenue in 2019:

€212,808
billion

+2% compared to 2018

+3,8% without legal changes

+4% tax bases growth



The economic situation in 2019 was featured by a progressive slowdown in activity. Domestic demand shown a downward profile too and Employees' compensation was the only variable with a more expansive performance than in previous years. **Main tax bases reflected the lessening in spending and, at the same time, the energy of income from wages and pensions.**



The average effective tax rate on income and expenditure was 15.2% in 2019, slightly higher than in 2018. After 2014, when the peak was reached, the average rate decreased in 2015 and 2016 due to the direct taxes reform. From then on, it has been rising every year, but quiet moderately. The slight upward trend is the result of the continued increasing of the average effective tax rate borne by the gross households' income.



Accrued tax revenue advanced by 4.5%, which meant a deceleration compared to 2018 as a result of the bases growth slow down. **The difference with 2% collection pace stems mainly from the payment in 2019 of extraordinary refunds, above €2.3 billion, which were not linked to the evolution of bases and taxes.**



Personal Income Tax went up by 4.9% (8.2% without regulatory and management changes), due to withholdings increment and annual return outcome. **Corporation Tax fell by 4.4%** (+0.4% if the extraordinary refunds were removed); the most remarkable feature was the instalments plunge. **VAT enlarged by 1.9%**, after a lessening trend held throughout the year, in tune with sales and inflation. **Excise Taxes increased by 4.1%**, but only due to the inclusion of the prior regional fare in the special national fare of Fuel Tax (without this fact, a fall of these taxes would have taken place).