



Agencia Tributaria

**TAX REVENUE
ANNUAL REPORT**

2020



TAX REVENUE IN 2020

Total Tax Revenue contracted by 8.8% in 2020, compared to 2019 level, amounting to €194 billion.

Understandably, the fiscal year was hit by pandemic, which hampered economic activity and, therefore, the tax collection. The main taxes bases receded by 7.7%. Yet this fall was less deep than the ones recorded by other variables as GDP at current prices or Domestic Demand, which is an indicator usually more linked to tax revenue. The main reason for this mismatch was the balancing role played by income from public sources (public salaries, pensions and other compensations as those governmental transfers related to furlough scheme, ERTes), reflected in the different strength of the falls scored by the bases linked to spending (-13.9%) and the income-related bases (-3.3%). Had it not been for the contribution of public income, collection would have dropped around two more points.

Moreover, tax revenue was affected by the impact of legal and management changes and by the payment of a high amount of refunds from previous fiscal years. Regarding the former, the most relevant effects in the year came from measures passed before COVID outbreak. The great deal of legal changes passed in order to alleviate pandemic hardship, did not have such a big impact on the final outcome but, certainly, they were significant over the course of the year. In net terms, all these measures bettered tax revenue figures but their impact was nearly offset by the payment in 2020 of the high amount of refunds requested in 2019.

Excepting Personal Income Tax (PIT), revenue fell down in every main item. PIT tax revenue increased by 1.2% for the causes previously explained. Corporation Tax plunged by 33.2%, though much of this decline had to do with refunds management. VAT receded by 11.5% and Excise Taxes revenue were 12.1% below the level recorded in 2019.



The economic climate

The economic background in which tax revenue was cashed was unfailingly determined by the pandemic outbreak, the lockdown and the restrictions to mobility and activity running all year long. If the variation of economic activity through the daily data of domestic sales made by companies belonging to the **VAT immediate information system (SII)** is followed, the sharp fall to rates under -35% (-100% in some sectors, during a considerable period) appears clearly as the sudden consequence of lockdown ordered on March 14, 2020.

After hitting bottom on mid-April, a recovery trend started and powerfully developed in the first weeks but then became rather stagnated, in August initially and more clearly in the following months. Only in the last days of the year a bounce back was seen, which seemed to approach the growth rate to zero. Anyways, the level was below 2019 all across the year, situation that is still kept in 2021.

Every economic benchmark was consistent with this shape. Real **GDP** contracted by 10.8% in 2020. First quarter year-on-year rate was already negative (-4.3%) and the minimum of the second quarter entailed a 21.6% fall. The steadiness in the second half of the year brought about an 8.7% average dip. Regarding the aggregate variables most sensitive to lockdown and restrictions, the drops were sharper. This was the case of domestic spending, with falls close to 16% in the year, 30% in the second quarter and 13.5% in the second half. **Employment** evolution followed also the same path, despite measurement troubles caused by furlough scheme enforcement. Building up an approach through full-time job equivalents, which is the indicator most used in National Accounts, employment decreased by 7.5% in 2020, with a 18.5% descent in the second quarter and with a -5.2% rate at the end of the year. Under the current circumstances, it could be better the use of the number of worked hours' evolution to analyse labour factor, because it is not affected by the calculus of average full-time equivalent working day, which is difficult to be defined when referred to 2020. In such case the drop is deeper, -10.4%, and more consistent with GDP performance, at least in the two first quarters of the year. Anyhow, the strong recovery after touching the bottom and the stagnation, to some extent, in the second half of the year were seen hereupon too.

The variables built up as of the fiscal info replicated the same performance pattern in the year, with some differences resulting from the smaller or larger presence of SMEs, businesses that are more closely linked to the sectors most affected by lockdown and restrictions to activity. In Large Companies and corporate Small Businesses, the stoppage of economic activity drove to



an around 25% loss in turnover, compared with the previous year. As the most severe measures were eased, such losses went moderating. An intense recovery occurred in June and July but from August on the trend stabilized and only as of November, new bettering could be seen, though not strong enough to achieve positive rates. Though alike for all businesses, the shape was sharper if SMEs are included in the set of companies, because they are weightier in sectors as hospitality, catering, retail and leisure, whose sales plunged much deeply than overall.

Employment indicators, both the **number of payees worked out from the payroll withholdings self-assessments and Social Security enrolees**, recorded also a strong fall in the second quarter and a later recovery. When approaching to salaried employment, both indicators meet with the drawback derived from furlough scheme effect. Employees in furlough scheme (ERTEs), on the one hand, kept being part of the company's crew and, on the other hand, they continued to be registered in the Social Security System, regardless of the percentage of working hours. Additionally, this conditioned the calculations of productivity and average compensation, which were also affected by workforce rearrangements due to activity stoppage. As it was more intense in some sectors, it distorted the aggregate estimates.

Regarding nominal terms analysis, **prices** also suffered the blow of lockdown and restrictions. The effect was not significant in GDP deflator, scarcely a few tenths less in the growth, compared to the previous year, but the impact was relevant if the aggregates more responsive to the situation are taken into account. Private spending deflator, for instance, grew up only by 0.2% in the year, compared to 1% in 2019 and to 1.5% in 2017 and 2018. The same performance was seen in CPI: its year-to-year rate was negative since the second quarter, mainly due to the fuels, hard hit by restrictions to mobility. If fuels and other volatile components were removed, underlying CPI, which measures consumer prices trend, kept on rising by 1.2% in the first half of the year, slightly above the last year', but in the second half it receded and ended the year with a 0.4% growth.

Given the evolution of real variables and prices, macroeconomic aggregates most linked to tax revenue, domestic demand, in nominal terms, and employees' compensation recorded a very negative performance. The former sank by 10.7%, while the latter contracted by 5.4%. This difference becomes relevant for bases and taxes analysis because it reflects, though incompletely, the balancing role played by income from public sources (public salaries, in this case) that drove to the better outcome in 2020 of households' income, compared with spending. As it will be explained in the following sections, in addition to the public salaries, pensions and unemployment benefits (ERTEs payments included) allowed reducing the impact of the crisis on the income. Both pensions and benefits are not directly included within the two



mentioned aggregates, because they only comprise the spending and a part of the primary income but not the income originated by redistribution.



Tax Bases

Main Tax Bases fell down by 7.7% in 2020, compared with 2019. This was the deepest drop since 1995, even steeper than the one scored in 2008 and in the following years, though in that case the slump lasted six years long. Bases contraction was however not as deep as the one recorded by the sum of the two macroeconomic benchmark indicators: the domestic demand and the employees' compensation. The main reason for this disparity can be found in one of the distinctive features of the year: the balancing role played by public income, more precisely the transfers derived from ERTes (furlough scheme), which are not directly included within those indicators.

This point, the role played by public income, explains also the difference between the drops of the bases linked to **income** and those related to **spending**: the former receded by 3.3%, while the latter sank by 13.9%. Yet, when income from public sources (public salaries, pensions and unemployment benefits, including transfers derived from ERTes) is subtracted the distance between incomes and spending shortens. It should be noted that public income had already an actually relevant weight within the set of the bases: it meant nearly a 19% in 2019 (double considering only households' income) and it reinforced such importance in 2020, passing to represent more than a 22% over the whole (42% on households').

Logically, bases evolution across the year was conditioned, firstly, by the extraordinary impact of lockdown from the second fortnight of March on, and then by a gradual recovery. In this way, the downturn began to be already noticed in the first quarter. It deteriorated during the months with the strictest confinement and then there was a gradual bounce back in the third and fourth quarters: at the beginning bases recovered strongly and, matching with the worsening of pandemic and the new restrictions to mobility, they went upwards in a more moderate way in the final stretch of the year.

Bases linked to spending reflected better lockdown aftermaths and the restrictions in the last leg of the year, with an exceptional plunge in the second quarter, an intense recovery in the third one and a stoppage in the fourth. Concerning income, that shape can only be seen after subtracting income from public sources and, even so, it appears blurred to some extent because of the accumulation in the third quarter of Corporation Tax bases from the central semester of the year. If this is taken into account, the evolution of bases linked to income is more alike to that of bases linked to spending, with deeper drops in the second quarter than in the third one.



Gross households' income fell down by 0.9%. Earned income went up thanks to the support of the public salaries, pensions and unemployment benefits (including here the payments linked to furlough scheme). In turn, the other income (private salaries, capital income and businesses' income) receded strongly, hard hit by activity stoppage.

Earned income advanced by 1.3%, with different performances according with the source: public salaries, private salaries, pensions or benefits. Private sector salaries reflected all the troubles coming from confinement and downturn. The fall was -5.8%, deeper in SMEs, as they are more linked to sectors specially affected by restrictions, than in large corporations. Part of the wage bill reduction was covered by the Public Service for Employment (SEPE) through the temporary lay-off files (ERTEs). If these public aids are added, the descent was around 2%. Wage bill in public sector grew up by 5.9%, slightly above 2019. The highest pace was recorded in the Autonomous Communities and particularly in the second half of the year, due to the increase of the wage bill in healthcare and educational sectors. On its side, pensions' bill rose by 2.9%, below 2018 and 2019, years in which pensions were updated with rises higher than usual.

Households' capital income (from movable capital, leases and capital gains) decreased by 15.5% and also with an uneven performance, depending on the source. The impact was hard on movable capital (-23.9%) as a result of dividends pay-out dip. Income from leases lost a 9.6% as a direct consequence of the troubles suffered by productive activity all year long. Capital gains receded by 15% in the year. This income comes mainly from real estate sales, activity toughly hit by the sanitary and economic state of affairs. Instead, gains from mutual investment funds scored a highly favourable outcome, with a 14.3% advance.

Lastly, personal businesses profit declined by 10.7%. It has to be reminded the high weight of these sort of businesses in the sectors more afflicted by lockdown and restraints to mobility and social gatherings: retail, hospitality and leisure and personal services.

Corporation Tax consolidated base dipped by 17.9% in 2020, less than profit did, for which a 25.9% plunge is estimated. Following the data submitted by the firms within their instalments self-assessments, large corporations and Groups instalments base fell down more sharply than in the whole of companies (-22.5%) and so it happened with their profit (-34.5%). The sinking was particularly deep in Groups, -44% the base and -31.5% the profit.



Final Spending subject to VAT shrank by 13.3%, in 2020, with a prices stability background as a result of lockdown and later restrictions to mobility. The contraction was particularly intense in households' spending (-16.3%), while housing expenditure dropped by nearly 6%. Spending descent was not deeper thanks to the higher Public Administrations' expenditure, intended to alleviate pandemic aftermaths.

Relating to Excise Taxes, the **value of consumptions subject** to them decreased by 17.4%. The fall was seen in both consumptions and prices. The drop in consumptions was general, in some cases very intense, such as in gasolines and diesel-oils for vehicles (-14.9%) or in alcohol (-30.6% the highest grade, -12.1% in beer), a reasonable consequence of the reduction in internal and external mobility and the shutdown, to a greater or lesser degree, of hospitality and catering services. Likewise, there were falls in tobacco consumptions (6% in cigarettes, although, as in previous years, the rest of the products increased) and electricity (-5.7%). The previously mentioned causes were also behind the drop in fuel and electricity prices, the most relevant in the evolution of this base. In this sense, the average price of gasoline and diesel fell, on average, by 13.7% (21.2% before taxes) due to the weak demand throughout the year. In electricity, the decrease was 5.5%, although in the last days of the year there began to be upturns.



Effective tax rates

The **average effective rate** on income and expenditure estimated for 2020 was 14.9%, 1% below the one recorded in 2019. Although provisional until PIT and Corporation Tax 2020 annual returns are known, the rate is the lowest since direct taxes were reformed in 2015 and 2016 and there was a downward step, after which a very mild upward trend was seen. This rising path was based on the continuous increase in the effective rate on household income. This growth continued in 2020, but was offset by the fall in the effective rate of Corporation Tax. Anyways, the drop in the rate was due more to the composition of the taxes basket (especially in a year with strong variations in the bases) than to regulatory changes that could have altered significantly the level of taxation. The abundant regulatory measures that were in force in 2020 mainly affected the way of payment and only marginally the tax burden.

In the Personal Income Tax, the effective rate increased to 12.9%, 1.1% more than in 2019. As indicated for the set of bases, the rise was, essentially, a result of the strong changes in the inner composition of the tax. Payroll withholdings are a good example. The effective rate grew only by 0.4% but, when the constituents are analysed, it can be seen that there were considerable changes in the rates. Thus, the average rate on salaries grew by 4% and that on pensions by 2.2%. In the first case, the reasons were two: the rise in the rate on the salaries of Public Administrations and the greater impact of activity stoppage in sectors with lower wage levels and average rates. This last element partially offset the lower withholdings that were driven by the drop in the wage bill and the lower withholdings derived from ERTes. In the case of pensions, the effective rate rise was similar to those scored before the increase of the lowest pensions that took place in 2018 and 2019.

The effective rate on Corporation Tax consolidated base was 19.4% estimate, below 20.4% in 2019. Regarding positive accounting outcome, the rate would be 8.3% (7.8% in 2019). The regulatory changes did not affect the accrued tax and, therefore, the decrease was due only to the different pace with which profit and bases of the different groups of taxpayers decreased.

In VAT, RDL 15/2020 included the zero rate for medical supplies necessary to combat COVID, as well as the super-reduced rate for books, newspapers and digital magazines. Both measures shown little impact estimate on the effective rate, which stood at 15.2% (compared to the 15.3% average scored in the last four years).



The average effective rate on Excise Taxes increased by 5%, above 2019 when it did by 4.5%. The main cause for this rise was the outstanding drop in energy prices, particularly in gasolines and diesel oils for vehicles. As in other years, it must be made clear that the effective rate commented in this section is worked out on the value of consumptions with the sole purpose of completing the aggregate analysis of bases, rates and income. Yet, it does not match always with the rate applied to products, since in several of them the basis are the physical consumptions and not the value. By items, the most noteworthy in 2020 was the decrease in the effective rate of gasolines and diesel oils by 2.8%, due to the plunge in gasolines consumptions, the products with the highest rate.



Accrued Tax Revenue and Net Total Tax Revenue

Accrued Taxes fell down by 9.1% in 2020. The four main groups of taxes dipped slightly less (-8.7%). This drop rate was alike to that recorded by total tax revenue (-8.8%). The conceptual differences that separate both measures from each other disappeared in 2020. It has to be taken into account that compared to accrued taxes, cashed revenue was positively affected by the impact of law and management changes (especially for the extraordinary refunds paid in 2019), but negatively influenced by the payment in 2020 of the high amount of refunds requested in 2019.

As just noted, one of the reasons that explain the different paces seen across the year in net tax revenue, compared with accrued tax revenue and with activity and spending indicators, was the impact in 2020 of law and management changes. These affected the annual growth rate (the overall impact estimate was up to €2,940 million, 1.4 percentage points added to the final outcome) but they mainly exerted influence on the revenue spreading across the year, given that the most important measures consisted of payment deferments.

When considering the law and management changes, the first thing to be done is to break them down into two clearly different sets. On the one hand, there were measures other than COVID-related, which were in addition mostly prior to pandemic outbreak. The impact of this group of measures was positive, worth almost €4,000 million. On the other hand, there were different kinds of measures that had been passed since mid-March, most of them in order to limit the negative effects of pandemic on taxpayers' compliance. As a whole, these measures subtracted slightly above €1,000 million to total tax revenue. The main feature of some of these measures was that they implied either the postponement or the delay in the payment of taxes, so that their impact was rather uneven across the year. They had a negative effect amounting to more than €4,300 million in the first months after entering into force, with a gradual moderation of the losses since then, as the payments deferred were being cashed.

Regarding the measures not associated to COVID, to a wide extent they are not 2020 impacts properly talking but 2019' effects that are included because they affect the variation rate when both years are compared. This is the case of the refunds linked to PIT motherhood allowances, of refunds derived from Court rulings in CT and in Inheritance and Gift Tax, and of the DTA payments, belonging to CT too. All of them became extraordinary outflows in 2019, altering negatively the comparison with the previous year and positively that of 2020 on 2019. Other impacts, though they took place in 2020, were coming from prior decisions. This is the



circumstance of the effect on PIT 2019 annual return of the assessment of the tax associated with motherhood benefits, paid in 2018 (before the court ruling), and of the widening of family allowances (started in 2018, but completed in 2019 annual return, submitted in 2020). It was also the case of the revenue increase from the recovery of the Tax on the Value of Production of Electric Energy; of the collection increase in Fuel Tax due to the shift to 2020 of a part of the income derived from the change in the regional fare that took place in 2019; and losses from the Lottery Tax upon raising the exemption threshold. In addition, extraordinary receipts and refunds were recorded in Corporation Tax for Court rulings released in 2020; in the former the amount was €1,081 million and in the latter €406 million (interests generated by the statement of unconstitutionality on RDL 2/2016, which changed the way of calculating instalments).

On their side, the measures passed in order to fight the economic hardship caused by pandemic can be grouped into three categories. Firstly, the measures targeted to ease fiscal compliance: Self-assessments submission deadline displacement, from April 15th to May 20th, for businesses with turnover under €600,000 (RDL 14/2020). Also the deferments granting to businesses with turnover not higher than €6 million and tax debts not higher than €30,000 (RDL 7/2020), to businesses with debts coming from customs declarations (except VAT, RDL 11/2020) and to those taxpayers that were waiting for finance granting provided for by RDL 8/2020 (RDL 15/2020). Finally, the tax debts term suspension (RDLs 8 & 15/2020), for obligations derived, among other, from the expiration of deferments and/or payment by instalments' agreements signed before the state of alert (terms which under strict confinement and offices shutdown were difficult to meet). In the three cases, they were merely a payment delay by taxpayers, so the negative impact went vanishing in the following months. In this sense, the first of these measures (deadline displacement) was an extreme case because the negative impact hit collection in April but it was completely recovered in May. Regarding the other two measures (deferments and term suspension), the initial impacts (€2,584 million and €1,629 million, each) went reducing as the pending debts were gradually cashed, particularly in October and November, after the expiration of the six months term granted. Yet, not the whole collection was recovered in the year, so that this regaining process will drag on in the first months of 2021.

Additionally, it needs to be clear that the amount of deferments (€2,584 million) mentioned before does not match exactly with those granted under the decrees RDL 7, 11 y 15 (worth €2,511 million overall). There were other deferments included which were not matching the conditions of those regulations but that were rated 'extraordinary' with respect to the usual evolution of the series. For practical purposes, the difference between considering one figure or the other is not relevant, mainly if the similar recovery paces in both cases are taken into account (about 92% of the whole amount of deferments was already recovered at the end of the year).



Secondly came the measures targeted to reduce businesses' payments on account in two different ways. Firstly, RDL 15/2020 gave PIT taxpayers the choice to assess their tax liabilities using the direct scheme in 2020 and then return to objective scheme in 2021. It also allowed CT taxpayers to assess their instalments according to the current profit instead of on the last annual return submitted; since the first instalment for the corporations with less than €600,000 turnover, or since the second instalment when they have a turnover lower than €6 million. The second way was the removal, in the objective assessment scheme, of the calendar days under the state of alert as a part of the business days comprised in the taxable period considered (RDL 15/2020).

Finally, in the third place, VAT-related measures have to be mentioned. They were the chance to change the assessment method and the elimination of the calendar days under the state of alert as a part of the business days comprised in the taxable period for taxpayers in simplified scheme (RDL 15/2020), in a similar way as PIT taxpayers in objective scheme; the application of VAT zero rate on goods needed to combat the effects of COVID, whose recipients are public entities, clinics and hospitals or private social entities (RDL 15/2020), between April 22nd and July 31st, though the deadline was afterwards extended; and the VAT rate lowering to 4% for books, newspapers and e-magazines (RDL 15/2020). Across 2020 other VAT rates lowering were passed (masks to 4% when the recipients are different to those who benefit from zero rate), but because of the date of approval (RDL 34/2020, November 17th) the effects will only begin to be noticed in 2021 collection.

By taxes, accrued **Personal Income Tax** amounted virtually the same figure than in 2019 (+0.1%). The slight fall of households' income was counterbalanced by the augment of the effective tax rate, rise which lay more in the inner changes in the composition of the tax than in the effect of law changes, with scarce impact in accrued terms.

Payroll withholdings grew up by 1%. The advance was the same than in salaries, though with a neat difference between the private (they fell down by 1.8%) and the public ones (they developed by 8.1%, higher than 2019 pace). Also in pensions, the increase was higher than in 2019 (5.1% vs. 4.9%). On its side, capital withholdings sank by 18.1% in 2020. Within them, movable capital withholdings (linked to dividends pay-out) plunged by 23.9% and withholdings on leases (business premises, mainly) receded by 12.1%, while withholdings on investment funds' gains boosted by 14.3%. Lastly, payments on account lost a 13.3%. These payments were certainly affected by the measures passed for businesses in modules scheme (chance to change the scheme, removal of the days in state of alert to assess the profit and a 20% relief, in general, 35% for some sectors). The impact estimate was €87 million.



Personal Income Tax revenue amounted to €88 billion and went up by 1.2%. Collection rise was favoured in 2020 by the comparison with 2019, year in which were paid most of refunds linked to motherhood allowances. Overall, these and other legal changes contributed with €1.1 billion to receipts growth. Without them, collection would have grown close to zero, alike to the advance of the accrued tax. There were items that performed well as the public payroll withholdings (on salaries and pensions), the annual return outcome and, although with a marginal weight, the withholdings on mutual investment funds' gains. About the rest of receipts (private sector payroll withholdings, payments on account by personal businesses and withholdings on income from movable capital and leases) the drops were reflecting the general scenario.

Accrued **Corporation Tax** sank by 21.6%. Instalments, the main part of the tax, contracted by 25.4%. The fall was deeper in the Groups (-37.6%) and it can be explained by the worse evolution of their profit and, in addition, by the weight of the minimum payment on profit rule in this cluster of taxpayers. Concerning the rest of corporations, the instalments of those not linked to Groups fell down by 15.7% and small corporations' by 5.1%.

Corporation Tax revenue shrunk to €16 billion, 33.2% less than in 2019. A third of this fall had not to do with corporations' losses but with refunds management and other issues. In 2018 annual return, submitted in 2019, the amount of refunds claimed by taxpayers was very high, as high were the amount cashed through 2018 instalments, and those refunds were mostly paid in 2020. Besides, the pace in refunds payment was lesser in 2019. If this negative impact is amended, together with the positive one linked to some extraordinary receipts and that other related to the extraordinary refunds paid in 2019, the descent would have been of about 23%, nearer to the accrued tax evolution.

The **VAT** accrued in the period fell by 13.6% in 2020, somewhat more than the spending subject to the tax, given the slight drop that occurred in the effective rate. Gross VAT was reduced by 10.8% but refunds requests fell at a much slower rate (-2.9%) due to the advance of annual refunds requests submitted by the group of taxpayers most strongly affected by the crisis caused by pandemic. The smaller decrease in refunds explains the larger drop in net VAT.

VAT collection fell by 11.5%, to €63 billion. The drop was less intense than in accrued VAT. It was due, on the one hand, to the fact that the collection of the first quarter of 2020 and a part of the second matched with accruals that were not yet affected by COVID crisis and, on the other hand, to the increase in income associated with the higher amount of deferrals requested.



Accrued **Excise Taxes** lost a 13.3% in 2020, compared with the level achieved in 2019. Every item dropped. Accrued Fuel Excise Tax scored a 17% decrease, year-to year. The evolution of each of the main products reveals the different degree to which the different uses were affected: -20.9% in gasoline (linked to consumers), -17.2% in diesel-oil for vehicles (more related to the transport) and +0.8% in subsidized diesel (farming/fishing and heating). Tobacco Excise Tax recorded a 4.2% decrease, loss that was focused on cigarettes (-5.4%, while the rest of products went up by 5.5%). In the Electricity Tax, the evolution was similar to that of Fuel Tax: it followed the pace of restraints but always with more moderate falls, even despite the decrease in prices, due to its narrower link with households' consumption. At the end of the year, the variation of the tax was -9.7%. The reasons for the deep fall in taxes on alcoholic products can be found in the limits to hotels and restaurants customers influx and in the restraints on mobility that were passed, to different degrees, since the first state of alert began. Under these conditions, the Tax on Alcohol and derivative beverages plunged by 30.4% and the Tax on Beer by 12%. With no link with 2020 health and economic situation, the Coal Tax sank again in 2020, by 57.5% this time. As in 2019, this tax is marginal in collection since the electric power producers withdrew its use.

Excise Taxes collection fell to €18.8 billion, 12.1% below 2019. They decreased somewhat less than the tax accrued because of the change from the accrual period to the cash period (this includes positive data from 2019 and not the last negatives of 2020, which go to 2021). The regulatory and management measures (the residual collection of the regional rate in Fuel Tax and those passed to ease taxpayers compliance) barely contributed a few million.

The revenue from different taxes of the four main ones amounted to €8.1 billion in 2020, 12.6% below 2019. Except for environmental taxes and Inheritance and Gift Tax (other revenue belonging to Chapter I), in both cases affected by regulatory and management changes in 2019, in the rest of the figures, revenue decreased. In the **Non-Residents Income Tax**, the fall was 36.2%. This revenue had already declined in 2019, but the general economic situation and the fall in dividends in particular caused the losses to be deeper. **Environmental taxes** increased by 37.1%, although due exclusively to the lower collection of 2019 as a consequence of RDL 15/2018, which temporarily removed the Tax on the Value of Electricity Production in the fourth quarter of 2018 and the first of 2019 (both quarters would have been a part of 2019 cash yield). That is why this tax, the one with the most weight within the taxation classified as environmental, grew by 59.7%. The collection (€1,146 million) was, however, much lower than it used to be years before (around €1,500 million). Revenue from the Tax on Fluorinated Gases were also, for the third year in a row, below the previous year (-16.7% in 2020). Regarding other collection in Chapter II, **Foreign Trade Taxes** decreased by 16.2%, which was consistent with the drastic reduction suffered by international trade. **Insurance Premium Tax**



remained practically the same as in 2019 (-0.3%), favoured by the advancement of some operations to 2020 (to avoid the rate rise since 2021), which offset the fall in the rest of the year. Regarding **Chapter III** revenue, it fell by 21.2%, with drops of 33.3% in fees and 10.5% in other revenue. The first one had basically two causes: the lower production of electric energy of hydraulic origin in 2019 (Canon for the use of continental waters for the production of electric energy) and management issues, some of them as a consequence of the measures passed to combat the pandemic (Levy on the use of radio-electric spectrum, ID and passports fees and Telecommunications Fee).



Total tax revenue and its comparison with budget

In 2020, 2018 Budget (the last one passed by the Parliament until 2021's) was extended again. For this reason, no assessment is made of the deviation of the collection with respect to the budgeted revenue.