



Agencia Tributaria

**TAX REVENUE
MONTHLY REPORT**

OCTOBER 2015



TAX REVENUE PERFORMANCE

October total tax revenue summed up €27.9 billion and grew by **4.1%** compared with October 2014. Gross receipts enhance (3.7%, €1.1 billion more) was behind this revenue increase.

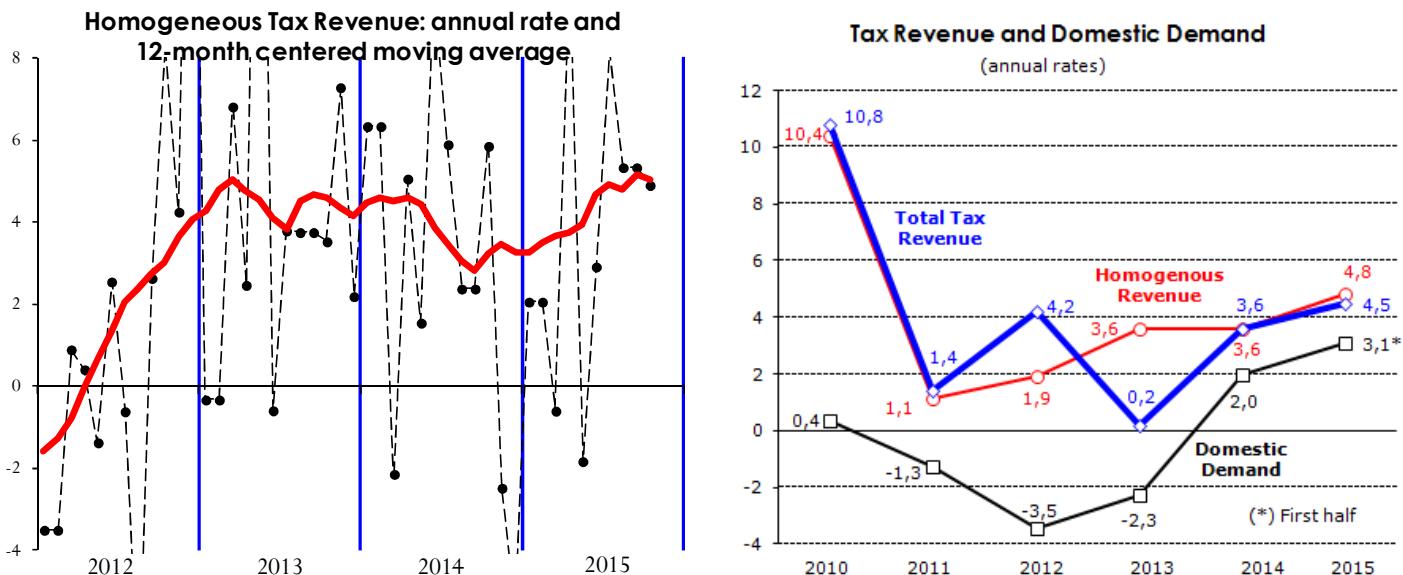
From January to October, total tax revenue raised by 4.5%. Homogeneous revenue enlarged by **4.8%** (subtracting the effects of different refunds paces in 2014-2015, “health extra charge” refunds and public withholdings deferments). Aggregate Taxes Base should be growing about that pace too: recent estimate shows a 5% expansion in the former three quarters of the year.

Two main features, verified along the current year, are supporting this performance: small businesses vitality, which takes shape in gross VAT and personal businesses instalments growth and, on the other hand, corporations profit boost over 30%, which is driving their instalments to expand in spite of recent tax reform lowering effects. In this way, both small businesses gross VAT and CIT instalments grew over 11% (nearly 14% the personal businesses instalments).

The increase of these two items widely counterbalanced the receipts loss caused by rates lowering in payroll withholdings. PIT rates lowering, planned for 2016 but put into action in advance since July, has affected small businesses withholdings for the first time in October. The result was a 5.7% drop compared with previous 3% fall in the two preceding quarters.

Table 1. Tax Revenue (€ million)

OCTOBER	2015	2014	% 15/14
DIRECT TAXES			
Personal Income Tax	62.004	61.999	0,0
Corporate Income Tax	17.007	14.577	16,7
Non-Residents Income Tax	1.411	1.257	12,2
Environmental taxes	1.185	1.037	14,3
Other	228	171	33,6
DIRECT TAXES TOTAL	81.835	79.041	3,5
INDIRECT TAXES			
Value Added Tax	53.658	50.003	7,3
Excise taxes	15.996	16.292	-1,8
+ Alcohol	618	606	2,0
+ Beer	244	242	0,9
+ Fuels	8.144	8.421	-3,3
+ Tobacco	5.496	5.590	-1,7
+ Electricity	1.174	1.154	1,7
+ Coal	304	265	14,9
+ Other	16	15	8,1
Insurance primes tax	1.125	1.105	1,9
Custom duties	1.446	1.249	15,8
Other	161	92	75,3
INDIRECT TAXES TOTAL	72.386	68.741	5,3
FEES AND OTHER REVENUE	2.151	1.836	17,2
TOTAL AMOUNT	156.372	149.618	4,5



Accumulated Personal Income Tax scored about the same figure than in 2014, though **homogeneous revenue** (adjusting different refunds paces in 2014-2015 and public withholdings deferrals) **fell by 0.3%**. PIT performance broke in October the steadiness held in the previous three quarters after being influenced by the last tax reform. Its impact was noticed in the two previous months in large corporations and public withholdings as far as in monthly self-assessed capital withholdings. Since October, payroll and capital withholdings self-assessed by every taxpayer are affected by new laws and this stroke explains their decreasing path. The average rate lowering (about 8% for large corporations, public administrations and pensions; 10% for small businesses) makes large and small corporations withholdings fall by 2.6% and 5.7%, each of them. This performance is opposite to the unwavering one held by gross households income, growing regularly by 2.9% in the first three quarters. The most outstanding items were the salary mass (4.1%) and the enhancing trend of personal businesses income.

CIT accumulated revenue grew by 16.7% and by 16.9% the homogeneous receipts after the second instalment. Total receipts from instalments advanced by 16.5% this year and improved 2014 score in spite of the recent tax reform (the average rate drops by 5% and it subtracts €0.9 billion to current yield). The pace is similar both in large corporations and small businesses, regardless of their different ways of working the instalment out. Large corporations profit enlarged by 32.2% year-to-date, and tax base rose by 28.2%.

VAT revenue increased by 7.3% until October, **6.5% homogeneous**, after amending the effect of different refunds schedules in 2014-2015. The most outstanding feature was again the boost of small businesses: 11.9% in the third quarter, 11.6% accumulated, consistent with personal businesses withholdings and instalments performances. On the other hand, Import VAT and Monthly VAT fell by 1.8% in October (-0.9% in the year), but not so sharply as in the preceding month. Besides, their drop is being gradually balanced by the less amount of refunds claimed by taxpayers (-7.1%, -15.1% in the last two months). Spending subject to VAT scaled by 4.5% year-to-date.

Accumulated Excise Taxes homogeneous revenue grew by 1.7%. The recent lessening of their pace has to do with three causes: the fuel consumptions strength loss, since they marked a maximum in the mid year (Fuel Excise Tax increased only by 2.5% in October, compared with 4.1% year-to-date); the end of a powerful growth of electricity consumption related to high temperatures scored in summer (about 10%) and, finally, the comparison of Tobacco October yield with the same month of 2014, affected by unusual receipts from adjustments with a local administration.



1. Technical notes

- Tax revenue data refer to taxes collected by the AEAT (Spanish National Tax Agency). They amount to above 90% of non-financial Government revenue (including *Comunidades Autónomas* –Autonomous Communities- and Municipalities share).
- Tax revenue is measured in cash flow and in net terms (gross revenue less refunds).
- *Comunidades Autónomas* (Autonomous Communities) and Municipalities share in Tax revenue may vary as a consequence of changes in the territorial financing system. This share is made effective through: 1) twelve equal monthly prepayments, 2) a final settlement corresponding to year t-2 made effective between July and October in year t.

2. Monthly Tax Calendar. October.

Personal Income Tax:

Monthly PIT withholdings (large companies and public sector); third quarter withholdings (small and medium-sized companies); third quarter instalment (individual businesses and professionals).

Corporate Income Tax:

April-September instalment.

VAT:

September self-assessments (large companies); third quarter self-assessments (small and medium-sized companies).

Manufacturing Excise Taxes:

Alcohol, Beer and Intermediate Products: July payments for large companies.

Fuels and Tobacco: September payments.

Electricity: September payments (large companies); third quarter payments (small and medium-sized companies).

3. TRMR Publication Calendar for 2015

	Jan	Feb	March	March	March	April	May	June	Jul	Aug	Sep	Oct	Nov	Dec
Reference Date	--	--	Day 31	Day 31	Day 31	Day 28	Day 26	Day 30	Day 28	Day 31	Day 29	Day 27	Day 24	Day 22
Reference Month	--	--	Dec 14	Jan 15	Feb 15	March 15	April 15	May 15	Jun 15	Jul 15	Aug 15	Sep 15	Oct 15	Nov 15

4. More information at the AEAT's web, *Statistics*:

- *Recaudación tributaria* (Tax revenue reports, with English summary)
- *Estadísticas por impuesto* (Tax statistics: PIT, Property Tax, CIT, VAT, tax data on Labour and Pensions, motor vehicle tax, excise taxes)
- *Ventas, Empleo y Salarios en las Grandes Empresas* (Large Companies Sales, Employment, and Wages monthly reports)
- *Comercio exterior* (Foreign trade statistics).