



Agencia Tributaria

**TAX REVENUE
MONTHLY REPORT**

OCTOBER 2016



TAX REVENUE PERFORMANCE

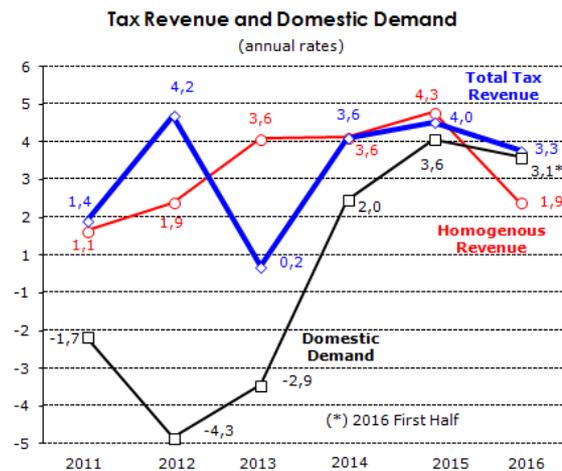
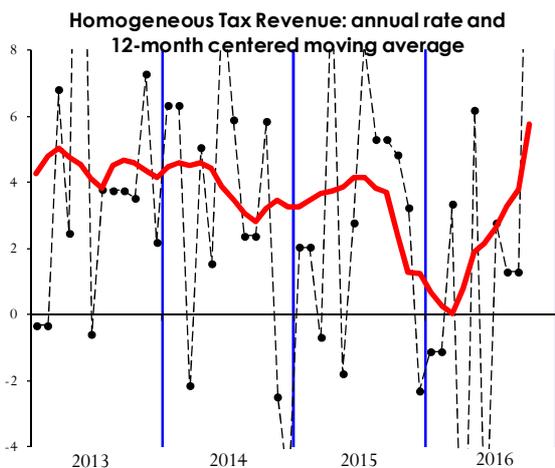
Total tax revenue amounted to €39 billion in October, after growing by 18.3% (€5.1 billion more). This strong increase can be explained by the new rules about CIT instalments included in the law RDL 2/2016. Subtracting this effect, revenue would have grown by 4%.

Total tax collection rose by 3.3% in January-October, while until September it remained steady compared with the same period of 2015. Gross receipts, which fell until September, went up now by 1.7% while refunds shrunk by 4.5%. **Total homogeneous revenue** (amending the effects of the different refunds schedules in 2015-2016, public withholdings deferments and health extra charge refunds) **grew by 1.9%**, whereas it was contracting in preceding months. Tax bases estimate raised by 2.9% in the third quarter, 2.3% accumulated.

Despite the fact that the most outstanding feature of October's revenue was the boost of CIT instalments, it was remarkable too the good performance of receipts linked to households' income and spending, as they keep showing all year long. CIT instalments enhanced by more than 40% (9.1% in the year) as the result of the run of new instalments rules for large corporations, whose contribution estimate to total revenue was about €7.6 billion. On their side, large and small businesses payroll withholdings increased slightly over 4%, once tax reform effect is over, while VAT gross receipts rose by nearly 5%, boosted by the still intense growth - though not so strong as in previous months - of small businesses VAT.

Table 1. Tax Revenue (€ million)

OCTOBER	2016	2015	% 16/15
DIRECT TAXES			
Personal Income Tax	61.786	62.004	-0,4
Corporate Income Tax	19.069	17.007	12,1
Non-Residents Income Tax	1.745	1.411	23,7
Environmental taxes	1.050	1.185	-11,4
Other	179	228	-21,6
<i>DIRECT TAXES TOTAL</i>	<i>83.828</i>	<i>81.835</i>	<i>2,4</i>
INDIRECT TAXES			
Value Added Tax	56.161	53.658	4,7
Excise taxes	16.584	15.996	3,7
+ Alcohol	609	618	-1,4
+ Beer	245	244	0,4
+ Fuels	8.844	8.144	8,6
+ Tobacco	5.553	5.496	1,0
+ Electricity	1.082	1.174	-7,8
+ Coal	229	304	-24,8
+ Other	23	16	42,4
Insurance primes tax	1.148	1.125	2,1
Custom duties	1.552	1.446	7,4
Other	164	161	1,8
<i>INDIRECT TAXES TOTAL</i>	<i>75.610</i>	<i>72.386</i>	<i>4,5</i>
<i>FEES AND OTHER REVENUE</i>	<i>2.053</i>	<i>2.151</i>	<i>-4,6</i>
<i>TOTAL AMOUNT</i>	<i>161.491</i>	<i>156.372</i>	<i>3,3</i>



Accumulated Personal Income Tax decreased by 0.4%, 0.7% homogeneous (adjusting different refunds paces in 2014-2015 and public withholdings deferments). PIT evolution shows the effect of tax reform in 2015-2016. Households' income has increased every quarter till reaching a 3.1% annual enlargement. Nevertheless, revenue has been pulled down by legal rates lowering until receipts, from August on, have begun to be compared with months of 2015 affected by the additional rates lowering included in RDL 9/2015. This evolution can be noticed in large and small businesses accumulated payroll withholdings. Large corporations' grew by 4.1% (4.4% in September, 2.7% in August, -0.7% in July), pace alike to wage bill rise as average rate remained unchanged after a 4.5% fall in the first part of the year. Wage bill augment was based upon jobs increment, since average salary grew hardly by 0.5%. A similar shape was found in small business payroll withholdings, which grew by 4.2% in the third quarter, after two tiny increments in the first and the second quarter (0.1% and 0.9%).

CIT revenue boosted by 12.1% until October, 6.2% homogeneous. This was a radical change which contrasts with the heavy falls of previous months and that stems from the new rules passed for large corporations instalments (RDL 2/2016). This law included an additional rate and a minimum instalment for corporations with a turnover higher than € 10 million. So, second instalments receipts enhanced by 43.4%, a remarkably different result after 48.7% drop of the first instalment. Large corporations and groups, directly impacted by the new law, grew by 44.5% (-56.7% in the first instalment). There was also a strong growth in small corporations (29.1%) but in this case due to profit improvement in 2015 (small corporations work out the instalment from the last annual return self assessed).

Total VAT revenue grew by 4.7%, 3.4% homogeneous, comparable to spending subject to VAT evolution (3.1%). In October, VAT increased by 3.8%, 5% the gross receipts and over 10% the refunds, enlarged by adjustments with Basque Country Administration. The increment was mainly linked to small businesses performance (5.9% in the quarter). As in other small businesses receipts, the increase continued being intense though in a lesser pace than in preceding quarters. Regarding monthly VAT receipts, they grew for the second month in a row, fact not seen in the rest of the year. Accumulated monthly VAT shows currently a slight growing rate.

Accumulated Total Excise Taxes homogeneous rose by 0.8%. In October, Fuel excise tax kept on growing in a lively way (more than 5% and higher if only gasoline and diesel oil were considered). On the other hand, Electricity excise tax dropped some softly due to a lesser prices fall and Coal excise tax shrunk sharply (-18.1%) as it did in previous months.



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 2016

	Jan	Feb	March	March	March	April	May	June	Jul	Aug	Sep	Oct	Nov	Dec
Reference Date	--	--	Day 30	Day 30	Day 30	Day 26	Day 31	Day 28	Day 26	Day 31	Day 27	Day 25	Day 29	Day 20
Reference Month	--	--	Dec 15	Jan 16	Feb 16	March 16	April 16	May 16	Jun 16	Jul 16	Aug 16	Sep 16	Oct 16	Nov 16

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).