



Net Revenues

For the month of January 2011
FY 2011



Disclaimer

This presentation includes certain statements that are not historical in nature. These statements are based on the Government Development Bank's current beliefs regarding future events, and are based upon a number of estimates and assumptions that are subject to significant uncertainties, many of which are outside the control of the Government Development Bank for Puerto Rico, the Government of Puerto Rico and its agencies and instrumentalities. This presentation has been prepared solely for informational purposes.



Commentary for the month of January 2011

General Fund net revenues during the month of January 2011 totaled \$515 million reflecting a decrease of \$36 million or 6.7% when compared to January 2010, mainly as a result of a reduced tax withholding to individuals in line with the newly enacted Tax Reform.

- Individuals' tax collections year-to-date ("YTD") for the month of January 2011 was \$1.323 billion, 2.5% below previous year's collections of \$1.357 billion for the same period. On a year-over-year ("YOY") basis, individuals' tax collections decreased 16.3% during the month of January 2011 when compared to January 2010 as a result of the implementation of the Tax Reform.
- Recently implemented excise tax on certain multinational groups is expected to offset tax reliefs implemented by the Tax Reform. First payment is expected on February 2011.
- Corporate tax collections for the month of January 2011 were in line with collections for the month of January 2010 with a slight decrease of 0.3%.
- Non-resident withholdings YTD registered a \$60 million or 12.5% decrease when compared to the same period on FY 2009-2010.
- Sales and use tax ("SUT") collections totaled \$124 million in January compared to \$119 million during the previous year, reflecting a 4.2% increase on a YOY basis. On a YTD basis, SUT collections increased \$17 million or 2.7% over the previous year. First \$572 million SUT collections are allocated to COFINA for the payment of outstanding bonds. On January 2011, a total of \$92.5 million had an impact on the General Fund.
- YTD motor vehicle excise tax receipts were 4.0% above estimates and 5.5% above previous year's receipts, totaling \$210 million.
- YTD property tax collections were \$14 million or 11.1% above previous year's receipts.



Net Revenues for month of January FY 2011

| Revenue Categories (\$ millions) | January | | \$ | Estimate | Actual vs. |
|-------------------------------------|--------------|--------------|---------------|--------------|---------------|
| | 2010 | 2011 | Change | 2011 | Estimate |
| Individuals | \$190 | \$159 | (\$31) | \$151 | \$7 |
| Corporations | \$55 | \$55 | (\$0) | \$65 | (\$10) |
| Non-Resident Withholdings | \$72 | \$45 | (\$26) | \$74 | (\$28) |
| Property Tax* | \$3 | \$4 | \$2 | \$2 | \$2 |
| Sales and Use Tax | \$97 | \$92 | (\$5) | \$119 | (\$26) |
| Motor Vehicles | \$27 | \$36 | \$9 | \$27 | \$8 |
| Alcoholic Beverages | \$22 | \$23 | \$1 | \$20 | \$3 |
| Off-Shore Shipments of Rum | \$34 | \$51 | \$17 | \$33 | \$18 |
| Other | \$52 | \$50 | (\$3) | \$50 | \$0 |
| Total | \$552 | \$515 | (\$36) | \$541 | (\$26) |

- After allocating a total of \$572 million SUT collections to COFINA for the payment of outstanding bonds, \$92 million were allocated to the General Fund.

*Act 7-Temporary increase in property tax.
Numbers may not add up due to rounding.



YTD Net Revenues for FY 2011

| Revenue | Actual July - January | | \$ | Estimate | Actual vs. |
|----------------------------|-----------------------|----------------|----------------|----------------|---------------|
| Categories (\$ millions) | 2010 | 2011 | Change | 2011 | Estimate |
| Individuals | \$1,357 | \$1,323 | (\$35) | \$1,284 | \$39 |
| Corporations | \$801 | \$718 | (\$83) | \$719 | (\$1) |
| Non-Resident Withholdings | \$481 | \$421 | (\$60) | \$429 | (\$8) |
| Property Tax | \$126 | \$140 | \$14 | \$117 | \$22 |
| Sales and Use Tax | \$97 | \$92 | (\$5) | \$119 | (\$26) |
| Motor Vehicles | \$199 | \$210 | \$11 | \$201 | \$8 |
| Alcoholic Beverages | \$165 | \$165 | \$0 | \$153 | \$12 |
| Off-Shore Shipments of Rum | \$216 | \$210 | (\$7) | \$211 | (\$2) |
| Other | \$524 | \$444 | (\$79) | \$524 | (\$80) |
| Total | \$3,966 | \$3,722 | (\$243) | \$3,756 | (\$34) |

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