



Net Revenues

For the month of December 2010
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 December 2010

General Fund net revenues during the month of December 2010 totaled \$566 million reflecting a decrease of \$156 million or 21.6% when compared to December 2009, mainly as a result of a reduced tax withholding to individuals in line with newly enacted Tax Reform.

- Individuals' tax collections year-to-date ("YTD") for the month of December 2010 was \$1.164 billion, mainly in line with previous year's collections of \$1.167 billion for the same period. On a year-over-year basis, individuals' tax collections decreased 64.2% during the month of December 2010 when compared to December 2009 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 December increased by \$30 million or 16.1% when compared to December 2009, reflecting a 1.4% increase YTD over the same period in FY 2009.
- Non-Resident withholdings YTD registered a \$34 million or 8.3% decrease when compared to the same period of FY 2009.
- Sales and use tax ("SUT") collections totaled \$97.3 million in December compared to \$95.1 million during the previous year, reflecting a 2.3% increase on a year-over-year basis. On a YTD basis, SUT collections totaled \$542.6 million, reflecting a 2.3% increase over the previous year. First \$572 million SUT collections are allocated to COFINA for the payment of outstanding bonds.
- YTD motor vehicle excise tax receipts totaled \$174 million, similar to receipts of \$172 million during the same period of the previous Fiscal Year.
- YTD property tax collections were \$12 million or 9.8% above previous year's receipts.
- Year-over-year difference in rum tax collections is due to pending approval of tax-extender federal legislation in the reimbursement rate per proof gallon. Upon approval of the extender bill, taxes will be paid retroactively, currently \$61 million.



Net Revenues for month of December FY 2011

Revenue	December		\$	Estimate	Actual vs.
Categories (\$ millions)	2010	2011	Change	2011	Estimate
Individuals	\$232	\$83	(\$149)	\$97	(\$14)
Corporations	\$186	\$216	\$30	\$167	\$49
Non-Resident Withholdings	\$78	\$70	(\$8)	\$80	(\$10)
Property Tax*	\$28	\$10	(\$18)	\$6	\$5
Sales and Use Tax	\$0	\$0	\$0	\$0	\$0
Motor Vehicles	\$37	\$28	(\$9)	\$37	(\$9)
Alcoholic Beverages	\$30	\$29	(\$1)	\$30	(\$1)
Off-Shore Shipments of Rum	\$29	\$29	(\$1)	\$36	(\$7)
Other	\$101	\$100	(\$1)	\$108	(\$8)
Total	\$722	\$566	(\$156)	\$560	\$6

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



YTD Net Revenues for FY 2011

Revenue	Actual July - December		\$	Estimate	Actual vs.
Categories (\$ millions)	2010	2011	Change	2011	Estimate
Individuals	\$1,167	\$1,164	(\$3)	\$1,132	\$32
Corporations	\$746	\$663	(\$83)	\$654	\$9
Non-Resident Withholdings	\$409	\$375	(\$34)	\$409	(\$34)
Property Tax	\$123	\$135	\$12	\$115	\$20
Sales and Use Tax	\$0	\$0	\$0	\$0	\$0
Motor Vehicles	\$172	\$174	\$2	\$174	\$0
Alcoholic Beverages	\$143	\$142	(\$1)	\$133	\$9
Off-Shore Shipments of Rum	\$182	\$158	(\$24)	\$178	(\$19)
Other	\$472	\$395	(\$77)	\$420	(\$26)
Total	\$3,414	\$3,207	(\$207)	\$3,215	(\$8)

- First \$572 million SUT collections are distributed to COFINA and will not yet impact the General Fund.

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