

# General Government Revenue

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General government revenue	Jan-Aug 2003 in SIT mln	Growth index, nominal			Structure, Jan-Aug	
		Aug 2003/ July 2003	Aug 2003/ Ø 2002	Jan-Aug 2003/ Jan-Aug 2002	2002	2003
Corporate income tax	77,953.6	90.5	109.2	146.9	3.9	5.2
Personal income tax	226,666.6	89.9	82.6	111.1	15.0	15.0
Value-added tax, excise duties <sup>1</sup>	495,329.1	89.4	111.6	108.8	33.4	32.7
Customs duties, other import taxes	22,105.9	95.6	104.0	109.6	1.5	1.5
Social security contributions	537,897.8	97.0	105.5	108.8	36.3	35.5
Other revenue	153,269.8	100.0	112.2	113.3	9.9	10.1
Total revenue	1,513,222.8	93.3	104.8	111.1	100.0	100.0

Source of data: Office of the RS for Public Payments (OPP), AP, B-2 Report (gross deposits).

Note: <sup>1</sup> corrections were made to these figures to match tax payments with the period of time covered by these taxes.

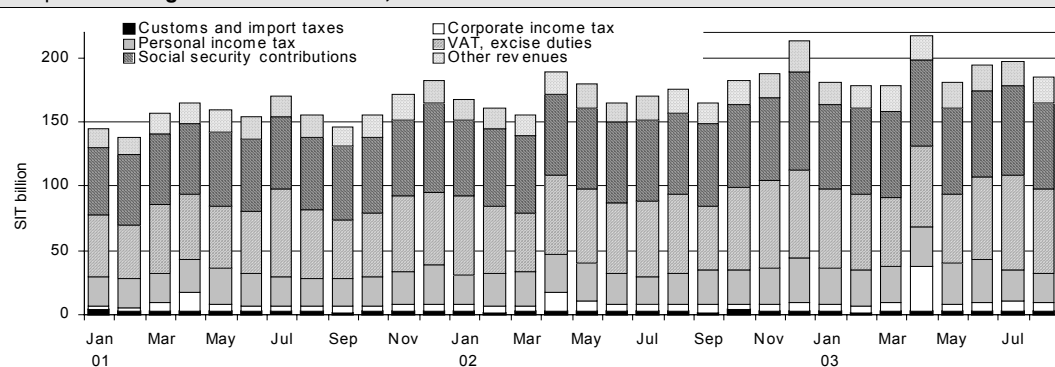
**General government revenue** (excise duty collections were adjusted to match the given period) rose by close to 1% in real terms in July, but dropped by as much as 6.3% in August. August's revenue was about 3% below this year's monthly average and 4.8% above last year's monthly average. In the first eight months, general government revenue rose by 4.9% in real terms over the same period last year.

Revenues from **value-added tax** were highly volatile in the summer months: they surged in July and dropped in August to below June's nominal level. This volatility was particularly evident in revenues from value-added tax on domestic invoices: the tax collected rose much faster than the tax refunded in July, while the opposite trend was seen in August so these revenues halved compared to July. Revenues from value-added tax on imports fell in both July and August, going down by 2% and 4.2% in real terms, respectively. In the first eight months, revenues from value-added tax were 3.9% higher than in the same period last year in real terms. **Excise duties** on tobacco and tobacco products were raised in July in line with the requirements to align excise duty levies with the EU's directives; both the amount of the specific and rate of the proportionate excise duty were raised. Revenues from excise duties climbed by 8.6% in July and 5% in August in real terms. Revenues from excise duties on tobacco and tobacco products rose fastest, as expected, while revenues from other excise duties rose more slowly. Despite July and August's growth, revenues from excise duties were 0.3% lower in the first eight months than in the same period last year in real terms. This drop was mainly due to a 4.2% real fall in revenues from excise duties on mineral oils, which was underpinned by falls recorded early in the year. Revenues from excise duties on alcohol and alcoholic beverages also fell, going down 1.4% in real terms. Conversely, revenues from excise duties on tobacco and tobacco products increased by 14.6% in real terms mainly thanks to the higher specific and proportionate excise duties introduced in January and July this year.

Revenues from **social security contributions** rose by 1.8% in July and fell by 2.6% in August in real terms. In the first eight months, these revenues increased by 2.7% from the same period last year in real terms. Revenues from **personal income tax** slumped in real terms in July and August. Revenues from **taxes on wages**, representing the majority of personal income tax, fell markedly in both July and August compared to June, when the tax base increased thanks to holiday allowance. Further, personal income tax refunds based on tax returns for 2002 were substantial and reduced July's personal income tax revenues by a solid SIT 9 billion and August's by SIT 7.6 billion. In spite of this, total revenues from personal income tax rose by 4.9% in real terms year on year in the first eight months. In this period, revenues from taxes on wages climbed by 3.5% and revenues from other categories of personal income tax also rose. Personal income tax refunds were at about the same level as in the first eight months of 2002. Revenues from **payroll tax** fell by 2.8% in July, but rose by 0.3% in August in real terms. They climbed by 9.7% year on year in the first eight months in real terms.

Monthly revenues from **corporate income tax** settled at a solid SIT 7 billion in July and August. Tax assessments for 2002 were much higher than those for 2001, so revenues from corporate income tax collected in the first eight months were 38.7% higher in real terms than in the same period last year. Revenues from **customs duties** and **import taxes** increased slightly in July, but dropped 4% in August in real terms. In the first eight months, they rose by 3.5% in real terms against the same period last year.

Graph: General government revenues, SIT billion



Sources of data: AP, Office of the RS for Public Payments (OPP), B-2 Report (gross deposits).