

## Brazil Reaps US\$ 32 Billion in Taxes in First Quarter

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Sunday, 24 April 2005

Federal tax and contributions collection in Brazil reached US\$ 10.687 billion (27.989 billion reais), in March. This number, the highest ever registered for March, is 6.4% higher than that of March of last year, and 10.7% higher when compared to February of this year.

This first quarter (January-March) total collection reached US\$ 32.493 billion (85.1 billion reais), an also record for the period; 5.14% more than last year's first quarter.

According to the Federal Revenue and Customs Secretariat, high collection numbers are due to the increase in the Gross Domestic Product (GDP), as well as to more effective measures against fiscal frauds.

In January alone, federal tax collections amounted to US\$ 12.379 billion (31.990 billion reais). Compared with January, 2004, this represented a nominal growth of 13.56%. When the figure is corrected for inflation, using the Broad Consumer Price Index (IPCA), the variation comes to 5.73%.

According to data from the Federal Revenue Department, the increased volume of sales in December, 2004, exerted a positive influence on revenue collections in January, since much of what is collected in one month reflects purchases made in the previous month.

### Record 2004

The Federal Revenue agency collected a record amount of taxes and contributions in 2004, to the tune of US\$ 118.555 billion (322.555 billion reais). In December alone US\$ 11.988 billion (32.620 billion reais) were collected.

In nominal terms, last year's amount represents an 18% increase in comparison with 2003, when the government received US\$ 100.462 billion (273.358 billion reais).

In the December-December comparison, revenues grew 17.40% between 2003 and 2004, according to Federal Revenue secretary, Jorge Rachid

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