

Better Control Brings 14% More Tax Money to Brazil Treasury

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From January until May this year, the Brazilian federal government collected, in taxes and social security contributions, 234 billion reais (US\$ 122.7 billion), a value 14% higher than recorded in the same period last year, which was slightly above 204 billion reais (US\$ 107 billion).

In May alone, the increase was 45 billion reais (US\$ 23.6 billion), a record high for the month, and nearly 13% more than recorded in May 2006, when the revenue was slightly over 40 billion reais (US\$ 20.9 billion).

According to the joint secretary at the Brazilian Federal Revenue and Customs Administration, Carlos Alberto Barreto, "more intensive inspection in the fields of compensation, indemnification, and credit recovery, as well as greater customs control over imports," justify the result.

The value collected from import tariffs, which rose by 18%, was due to the depreciation of the dollar against the Brazilian real, Barreto explained, adding that this also generated an increase in the inflow of foreign products to the country.

Other contributing factors for the accumulated collection performance were the sectors of metallurgy (plus 22%), manufacturing of chemical products (13%), and of trucks and buses (45%). The list also includes the 34% increase in collection of the Personal Income Tax (IRPF) in 34%.

Compared with May 2006, according to the joint secretary, the main contributing factor to the result this year was the growth in legal and administrative deposits, totaling 1.5 billion reais (US\$ 787 million), against 422 million reais (US\$ 221.4 million) recorded last year.

But in the comparison with April this year, there was an 11% decrease in collection, which the report explains as "a consequence of seasonal effects such as the payment of the first quota or single quota of the Personal Income Tax."

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