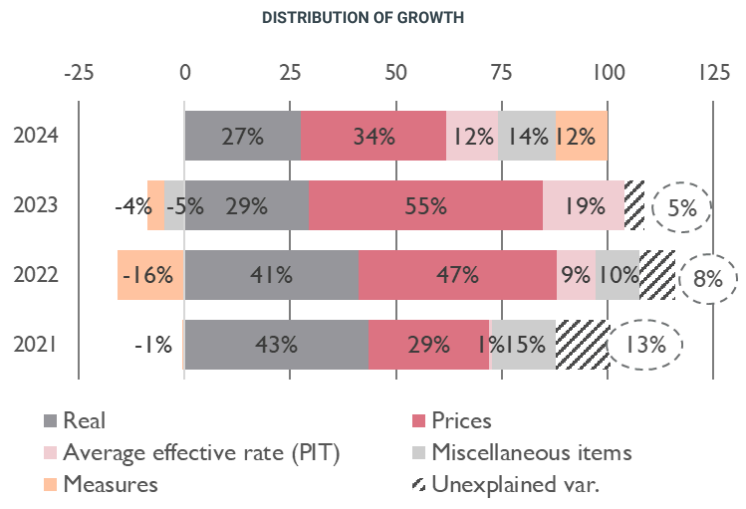
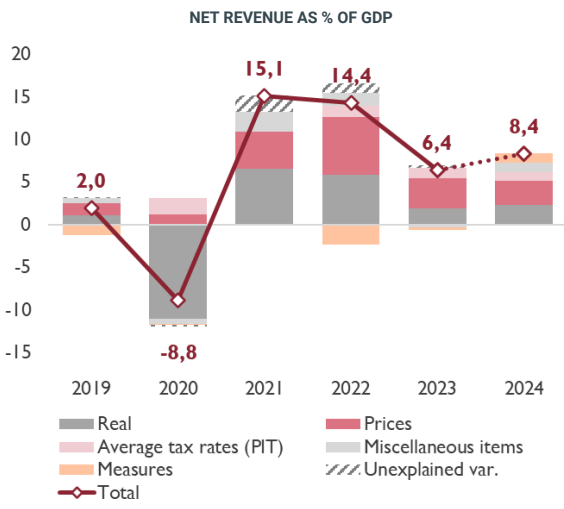


We analyse the evolution of tax revenue 2019-2023 and forecast for 2024



We maintain the conclusions on tax collection growth in 2021, which was mainly explained by the real component, and in 2022, mainly explained by the price component

In 2023, the contribution of prices intensified, accounting for more than half of the tax collection increase. In 2024, inflation will again be the main driver, but slightly less than in 2023



Breakdown of tax revenue variability

TOTAL	Annual rate of change (% CHANGE)					
	2019	2020	2021	2022	2023	2024
Variability ⁽²⁾						
Total	2,0	-8,8	15,1	14,4	6,4	8,4
Real	1,1	-11,1	6,6	5,9	1,9	2,3
Prices	1,5	1,2	4,3	6,7	3,6	2,9
Average tax rates (PIT)	0,0	1,9	0,1	1,3	1,3	1,0
Miscellaneous items	0,5	-0,6	2,3	1,5	-0,3	1,1
Measures	-1,3	-0,1	-0,1	-2,3	-0,3	1,0
Unexplained change	0,1	-0,2	1,9	1,2	0,3	0,0

REAL COMPONENT: Variation in the volume of the macroeconomic variable linked to the evolution of each tax (GDP, expenditure...)

PRICES: Variation due to inflation of prices and wages

AVERAGE EFFECTIVE RATES (Personal Income Tax): Increase due to the change of the average tax rates on wages and pensions without changes in the rate

MISCELLANEOUS RATES: Changes due to various tax elements such as Corporate Income Tax payments by SMEs, extraordinary refunds and exceptional income or Persona Income Tax instalment payments, among others.

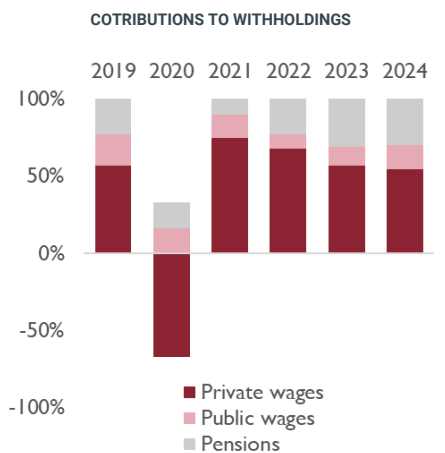
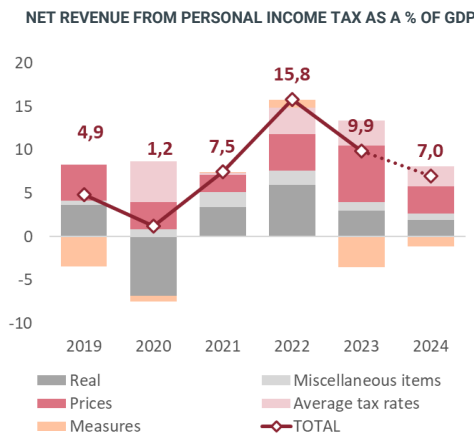
MEASUREMENTS: Change produced by temporary and permanent regulatory changes

UNEXPLAINED: Change that can be included in the above



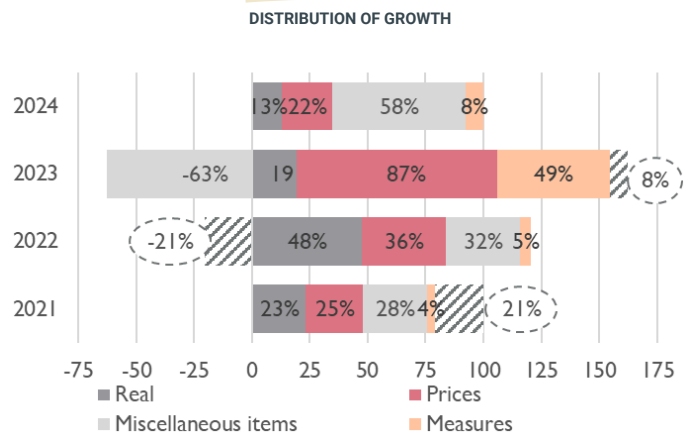
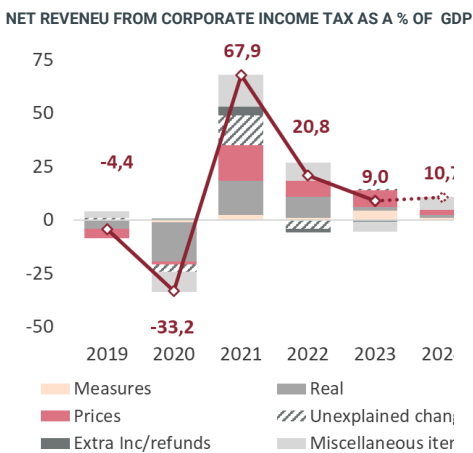
Change in revenue from Personal Income Tax

During 2021 and 2022 the main driver of personal income tax increases was employment growth, and from 2022 wage and pension increases, which became the main drivers of growth in 2023 and will be again in 2024.



Change in revenue from Corporate Income Tax

The increase in Corporate Income Tax in 2021 and 2022, in the wake of the pandemic, was a consequence of the recovery of all its components, while in 2023, it was explained to a greater extent by the increase in prices and the adoption of measures. In 2024, the Corporate Income Tax settlement will be the main driver of its growth



Change in VAT revenue

The volume decreases in consumption and investment volumes in 2020 and their subsequent recovery in 2021 have marked the evolution of VAT over these two years. From 2022 onwards, the increase in prices accounted for most of the increase, although in 2023, it was offset by the tax rate cuts. In 2024, AIReF forecasts that the price factor will be the main driver of growth.

