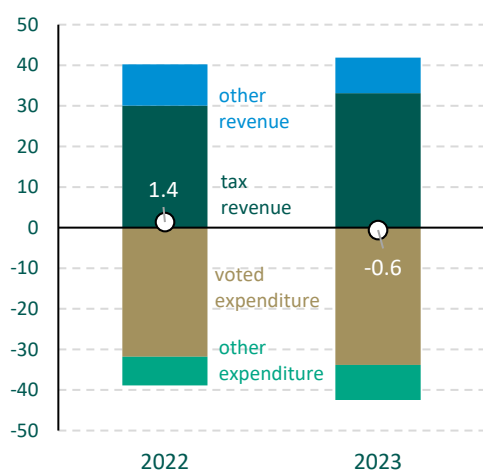


## SUMMARY

- > Overall, an Exchequer deficit of €0.6 billion was recorded to end-May. This compares with a surplus of €1.4 billion in the same period last year, with the difference driven by the transfer of €4 billion to the *National Reserve Fund* (NRF) in February this year (**figure 1A**).
- > On a 12-month rolling basis, the Exchequer recorded a surplus of €3 billion (**figure 1B**). Excluding one-offs (transfers to the NRF, proceeds from the disposal of bank equity and estimated 'excess' corporation tax receipts), an underlying deficit of almost €4 billion was recorded on a 12-month rolling sum basis.
- > Tax receipts of €33.1 billion were collected to end-May, ahead of the same period last year by €3.1 billion (10.2 per cent), driven primarily by growth in income tax, VAT and corporation tax.
- > Gross revenue to end-May stood at €41.9 billion, up 4.1 per cent compared to the same period last year. Excluding receipts from repayments of loans to the *Social Insurance Fund* (which boosted receipts last year but are net neutral overall),<sup>1</sup> gross revenue increased by €3.9 billion (10.4 per cent) on an annual basis.
- > Non-tax revenue and capital resources to end-May stood at €2.4 billion, down from €4.1 billion in the same period last year. Appropriations-in-aid of €6.4 billion brought total other revenue to €8.8 billion.
- > Total expenditure to end-May amounted to €42.5 billion. Of this, gross voted expenditure stood at €33.8 billion, which was €2 billion (6.3 per cent) ahead of the same period last year. Non-voted expenditure accounted for €8.6 billion, €1.6 billion ahead of the same period in 2022, driven by the €4 billion transfer to the *National Reserve Fund* but offset somewhat by the reduction in the loan to the *Social Insurance Fund* (which is net neutral overall).

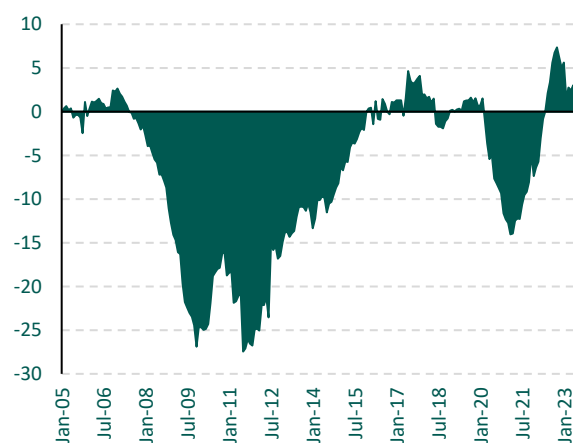
**Figure 1: exchequer balance**

A: composition of year-to-date exchequer balance, € bn



Source: Department of Finance

B: exchequer balance, 12-month rolling sum, € bn



Source: Department of Finance

<sup>1</sup> Capital receipts in 2022 were boosted by a technical in-month repayment to the Exchequer of a cash flow loan from the *Social Insurance Fund*, which is net neutral overall and simultaneously reflected in non-voted capital expenditure. The decline in capital receipts in 2023 is therefore due to this 'base effect'. These transactions have no impact on the Exchequer balance.

## Section 1: Revenue

Gross Exchequer revenue to end-May amounted to €41.9 billion, up by 4.1 per cent when compared with the same period last year. Excluding receipts from repayments of loans to the *Social Insurance Fund* (which boosted receipts last year but are net neutral overall), gross revenue increased by €3.9 billion (10.4 per cent) on an annual basis.

Tax receipts of €9.0 billion were collected in May, an increase of €0.1 billion (1 per cent) on the same month last year. On a cumulative basis, receipts of €33.1 billion are up on the same period last year by €3.1 billion (over 10 per cent), driven primarily by income tax, VAT and corporation tax.

Non-tax revenue and capital resources to end-May stood at €2.4 billion, down from €4.1 billion in the same period last year. Appropriations-in-aid of €6.4 billion brought total other revenue to €8.8 billion.

### 1.1: Direct Taxes

**Income tax** receipts of €2.6 billion were up on May last year by €0.2 billion (9.4 per cent). On a cumulative basis, income tax receipts of €13 billion were €1.1 billion (9.4 per cent) ahead of the same period last year (**figure 3A**).

**Corporation tax** receipts of €2.7 billion were collected in May, down by €0.2 billion (6.2 per cent) on the same month last year, reflecting higher repayments and lower profitability and highlighting the volatility inherent in this revenue stream. On a cumulative basis, however, corporate tax receipts amounted to €6.3 billion, €1.1 billion (20.7 per cent) higher than in the same period last year (**figure 4A**).

### 1.2: Indirect Taxes

May is a **VAT** due month and receipts of €3 billion were ahead of May last year by €0.1 billion (2.7 per cent). This is a more muted performance than in recent months and is likely due, in part, to timing issues. VAT receipts to end-May totaled €10 billion, €1 billion (11.7 per cent) higher than in the same period last year (**figure 5A**).

**Excise duty** receipts of €0.4 billion were up on May last year (by €18 million, 4.5 per cent). On a cumulative basis, excise receipts of €2.2 billion are broadly flat on the same period in 2022 (**figure 6A**).

### 1.3: Capital Taxes

**Stamp Duty** receipts of €87 million were collected in May, down by €30 million on May last year, continuing a trend of relative weakness in this tax head. Cumulative stamp duty receipts of €547 million in the year are down by €108 million (16.4 per cent) relative to the same period last year.

**Capital Gains Tax** receipts to end-May stood at €324 million, down by €45 million (12.1 per cent) on the same period last year.

**Capital Acquisitions Tax** collected to end-May amounted to €95 million and are down (by €9 million) on the same period last year.

### 1.4: Other Taxes

**Motor tax** receipts to end-May were €405 million, up slightly on the same period in 2022, by €9m (2.3 per cent).

**Customs** receipts of €223 million are down by €30 million (11.9 per cent) on the same period last year.

### 1.5: Non-Tax Revenue

**Non-tax revenue** to end-May amounted to €0.9 billion, up by €0.7 billion compared to the same period last year, due primarily to the slightly earlier receipt of the Central Bank surplus income payment this year when compared to 2022.

### 1.6: Capital Receipts

**Capital receipts** to end-May amounted to €1.4 billion, down by €2.5 billion on the same month last year. The decrease is driven by a reduction in the repayment of the loan to the *Social Insurance Fund* which is net neutral overall. Capital receipts have also been boosted by €0.3 billion from the proceeds of the sale of AIB shares as well as €0.2 billion from the AIB share buyback programme.

### 3.3: Analysis of Taxation Receipts – End-May 2023

Exchequer Tax Receipts	Year-on-Year Performance - Cumulative			
	End-May 2023 Outturn €m	End-May 2022 Outturn €m	Y-on-Y Change €m	Y-on-Y Change %
Income Tax (including USC)	13,016	11,900	1,116	9.4
VAT	10,019	8,972	1,046	11.7
Corporation Tax	6,277	5,200	1,077	20.7
Excise	2,151	2,145	5	0.2
Stamps	547	655	-108	-16.4
Capital Gains Tax	324	368	-45	-12.1
Capital Acquisitions Tax	95	104	-9	-8.8
Customs	223	253	-30	-11.9
Levies	0	0	0	-
Motor Tax	405	396	9	2.3
Unallocated Tax Deposits	75	66	9	14.2
<b>Total</b>	<b>33,131</b>	<b>30,060</b>	<b>3,071</b>	<b>10.2</b>

Note: Rounding may affect totals

Exchequer Tax Receipts	Year-on-Year Performance - Monthly			
	May 2023 Outturn €m	May 2022 Outturn €m	Y-on-Y Change €m	Y-on-Y Change %
Income Tax (including USC)	2,586	2,364	222	9.4
VAT	3,008	2,930	78	2.7
Corporation Tax	2,730	2,912	-182	-6.2
Excise	424	406	18	4.5
Stamps	87	117	-30	-25.5
Capital Gains Tax	27	55	-28	-50.5
Capital Acquisitions Tax	20	20	1	2.6
Customs	48	49	-2	-3.0
Levies	0	0	0	-
Motor Tax	83	79	4	5.2
Unallocated Tax Deposits	-27	-20	-8	38.8
<b>Total</b>	<b>8,986</b>	<b>8,911</b>	<b>75</b>	<b>0.8</b>

Note: Rounding may affect totals