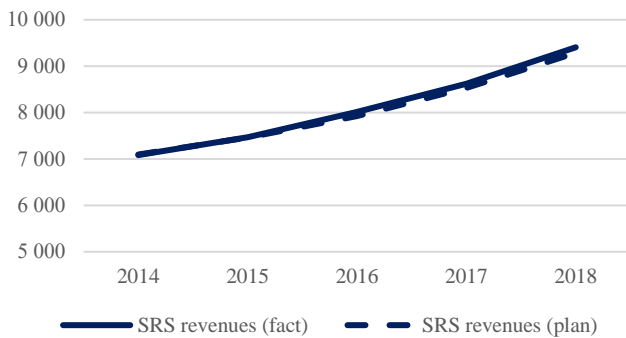




Fiskālās disciplīnas
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Summary of budget revenues and expenditures in 2018

Tax revenue forecasts have been conservative.



Experience since 2014 suggests that **tax revenue forecasts are conservative**, so actual earnings are higher than projected.

Chart 1. Execution of the tax revenue (incl. SSC) plan: 2014 - 2018, million euro. Source: State revenue service

VAT, PIT, SSC and CIT revenues usually reach the planned level.

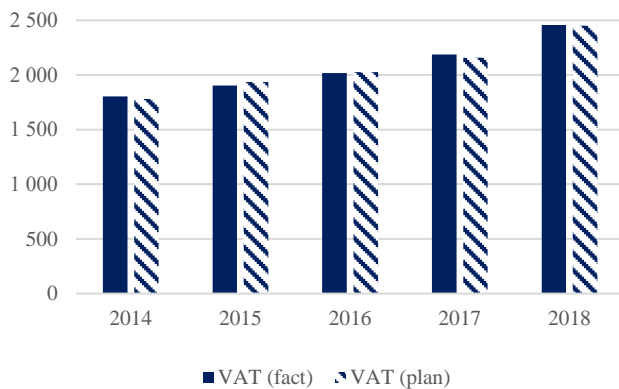


Chart 2. Execution of the VAT revenue plan: 2014 - 2018, million euro. Source: State revenue service

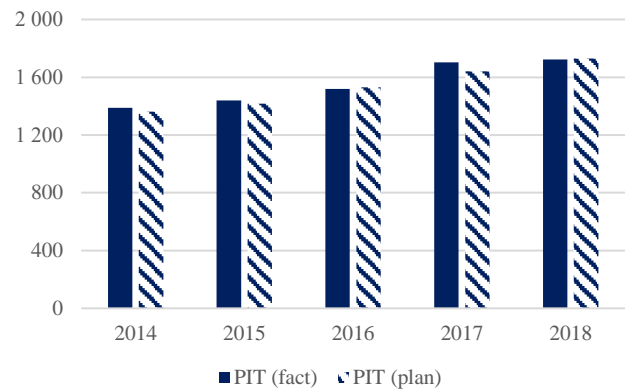


Chart 3. Execution of the PIT revenue plan: 2014 - 2018, million euro. Source: State revenue service

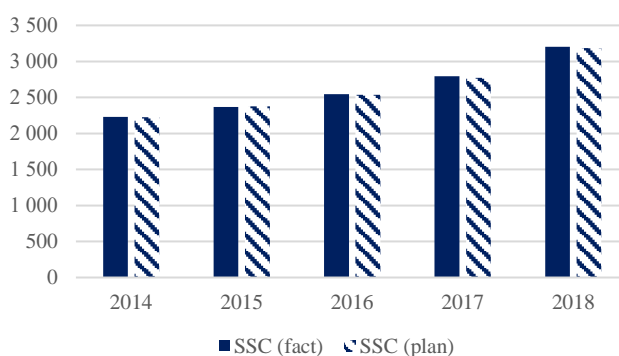


Chart 4. Execution of the SSC revenue plan: 2014 - 2018, million euro. Source: State revenue service

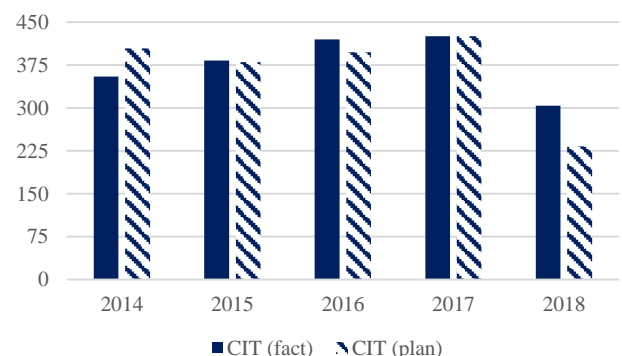


Chart 5. Execution of the CIT revenue plan: 2014 - 2018, million euro. Source: State revenue service

A similar consistency is evident with regard to the four major revenue positions – value-added tax (VAT), personal income tax (PIT), compulsory state social security contributions (SSC) and corporate income tax CIT). **In the last years, revenues have been close to the forecasted level, however, CIT has been able to significantly exceed the forecasted level in 2018.**



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Summary of budget revenues and expenditures in 2018

Tax revenues were above forecasted levels in 2018.



Chart 6. Execution of the tax revenue (incl. SSC) plan, million euro.

Source: State revenue service

Tax revenues (incl. SSC) amounted to 8.96 billion euro in 2018, which **was above the planned level by 87.1 million and by 8.4% more than in the 2017.**

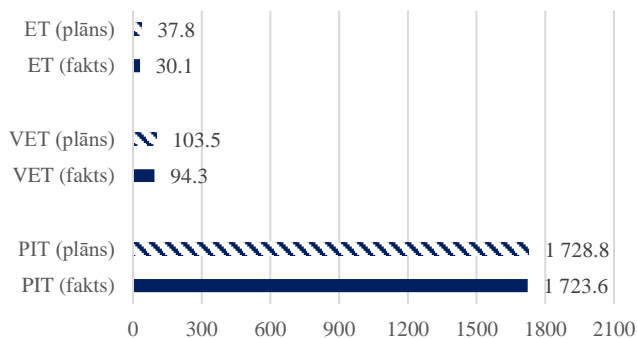


Chart 7. Significant deviations from the revenue plan in 2018, million euro.

Source: State revenue service

In 2018, the most significant negative deviations were due to personal income tax (PIT) revenues, vehicle exploitation tax (VET) revenues and environmental tax (ET) revenues.

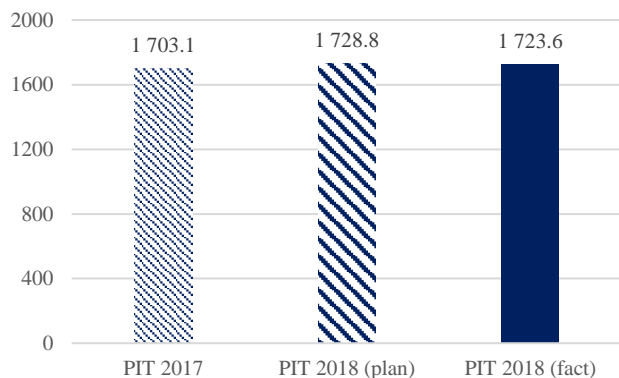


Chart 8. Execution of the PIT revenue plan in 2018, million euro. Source: State revenue service

PIT revenues in 2018 were **1.2% higher** than in the 2017 but they were below the planned level by 5.2 million euro.

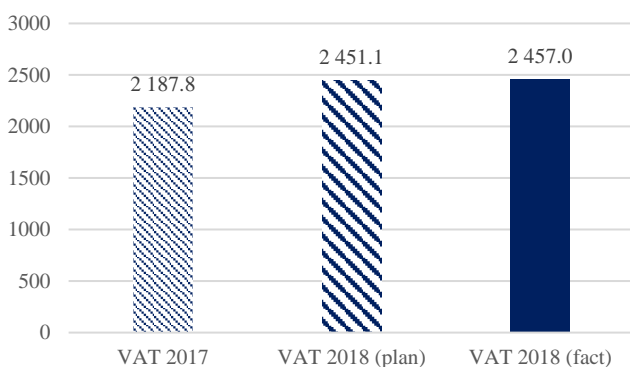


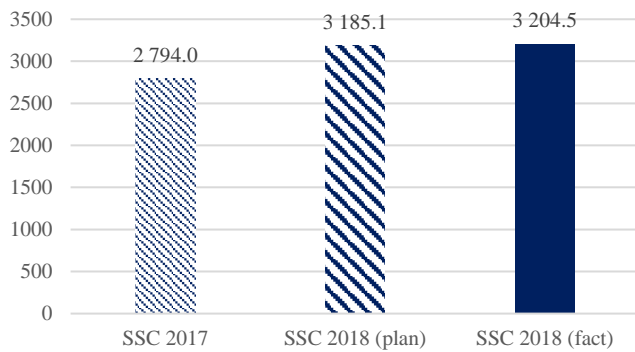
Chart 9. Execution of the VAT revenue plan in 2018, million euro. Source: State revenue service

VAT revenues in 2018 were **12.3% higher** than in the 2017 and they were above planned level by 5.8 million euro.



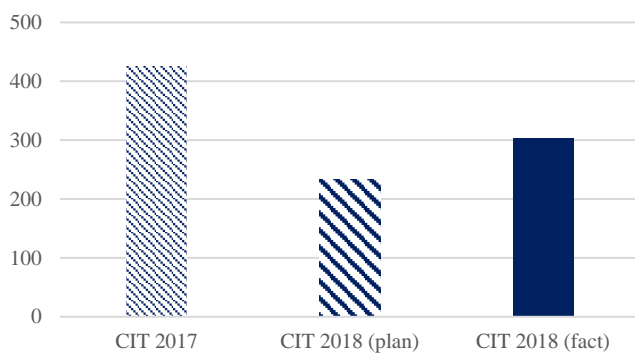
Fiskālās disciplīnas padome

Summary of budget revenues and expenditures in 2018



SSC revenues in 2018 were **14.7% higher** than in the 2017 and they were above the planned level by 19.4 million euro.

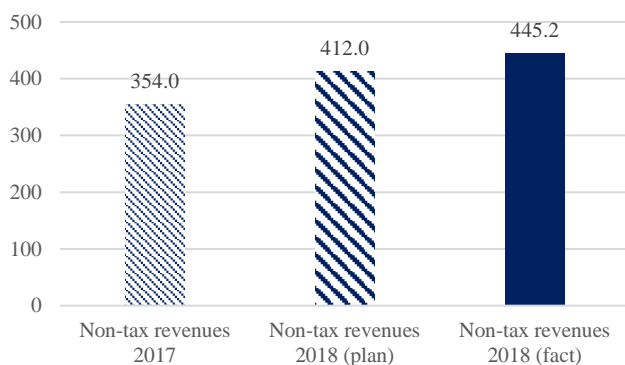
Chart 10. Execution of the SSC revenue plan in 2018, million euro. Source: State revenue service



CIT revenues in 2018 were **28,6% lower** than in the 2017 but they were above the planned level by 71.3 million euro.

Chart 11. Execution of the CIT revenue plan in 2018, million euro. Source: State revenue service

Non-tax revenues were above forecasted levels after the III quarter of 2018.



Non-tax revenues in 2018 amounted to 445.2 million euro **and this is by 33.3 million euro above planned levels.**

Chart 12. Execution of the non-tax revenue plan in 2018, million euro. Source: State revenue service



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Summary of budget revenues and expenditures in 2018

Uneven changes in the budget expenditures are noticed in 2018.

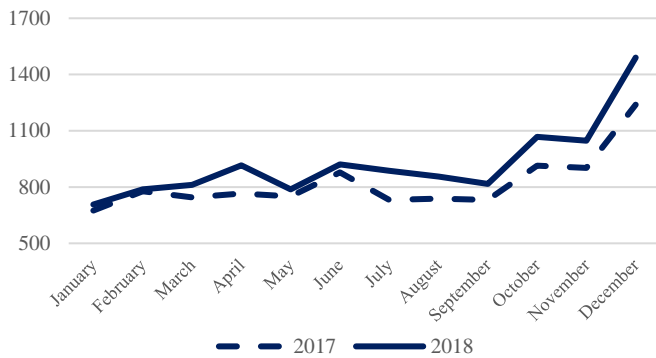


Chart 13. Consolidated government budget expenditure in 2018, million euro. Source: Treasury

In 2018, consolidated government budget expenditure was 11.1 billion euro, which is **higher than in the 2017** when expenditure accounted for 9.8 billion euro.

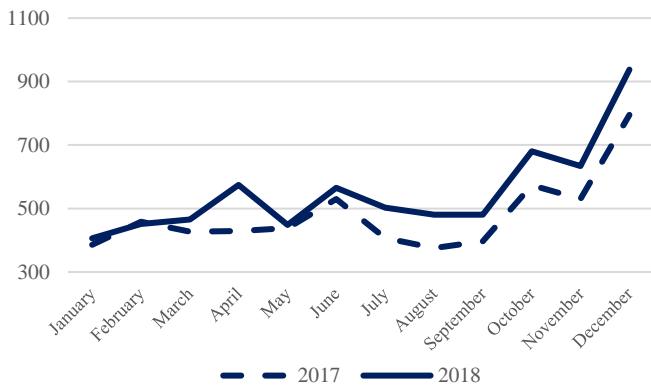


Chart 14. State basic budget expenditure in 2018, million euro. Source: Treasury

In 2018, state basic budget expenditures amounted to 6,6 billion euro, which is **higher than in the 2017** when expenditures accounted for 5.7 billion euro.

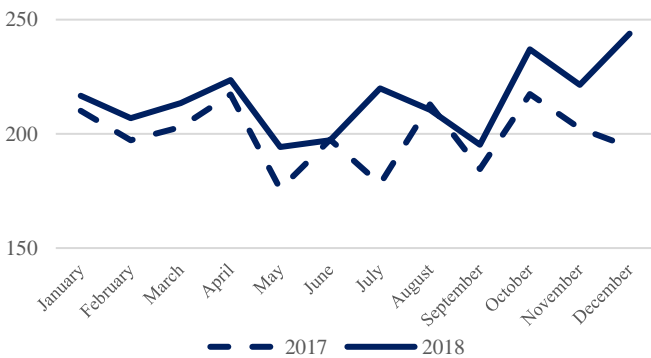


Chart 15. Special budget expenditure in 2018, million euro. Source: Treasury

In 2018, special budget expenditures amounted to 2.6 billion euro, which is **higher than in the 2017** when expenditures amounted for 2.4 billion euro.

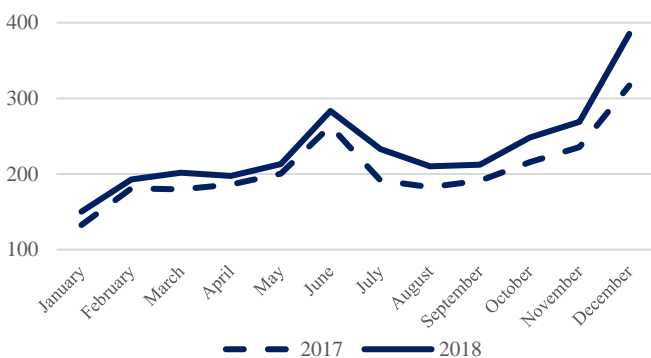


Chart 16. Local government expenditure in 2018, million euro. Source: Treasury

In 2018, local government budget expenditures amounted to 2.8 billion euro, which is **higher in 2017** when expenditures accounted for 2.5 billion euro.



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Summary of budget revenues and expenditures in 2018

In 2018 the consolidated government budget balance is better than in 2017, but worse than planned

	2016 (mln. euro)	2017 (mln. euro)	2018 (mln. euro)	2018 (mln. euro, plan ¹)
Consolidated government budget	-101,7	-221,7	-215,1	-163,7
Government basic budget	-239,4	-356,9	-302,1	-321,8
Special budget	47,3	113,8	202,2	125,9
Local government budget	59,0	-14,4	-150,5	31,5
Derived public persons budget	33,7	35,7	48,8	0,6

2018 balance sheets are far from annual plans, except state basic budget balance

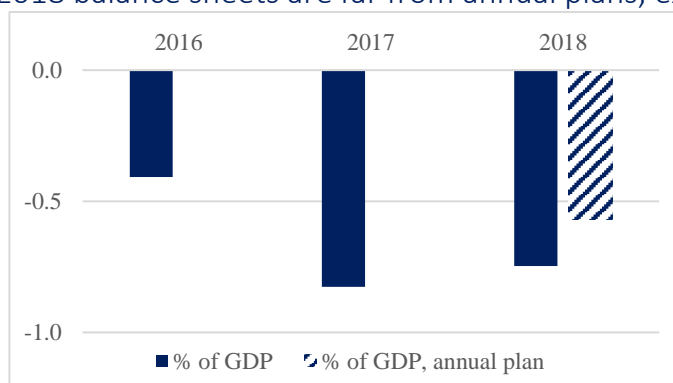


Chart 17. Consolidated government budget balance in 2018, % of GDP. Source: Treasury

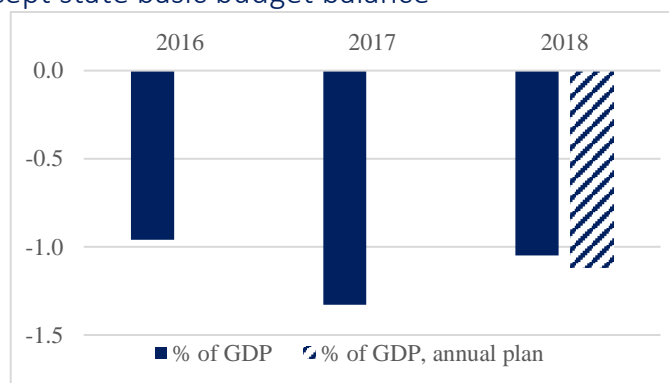


Chart 18. State basic budget balance in 2018, % of GDP. Source: Treasury

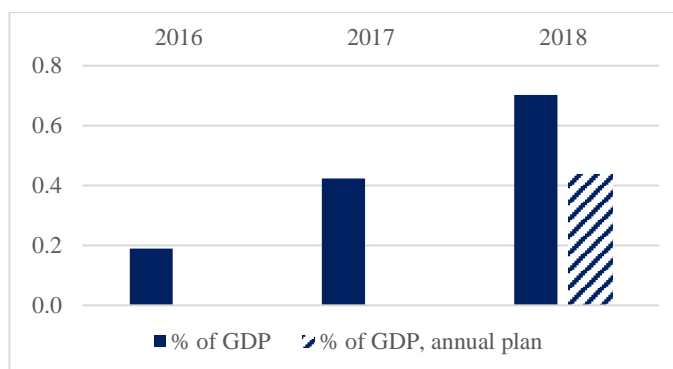


Chart 19. Government special budget balance in 2018, % of GDP. Source: Treasury

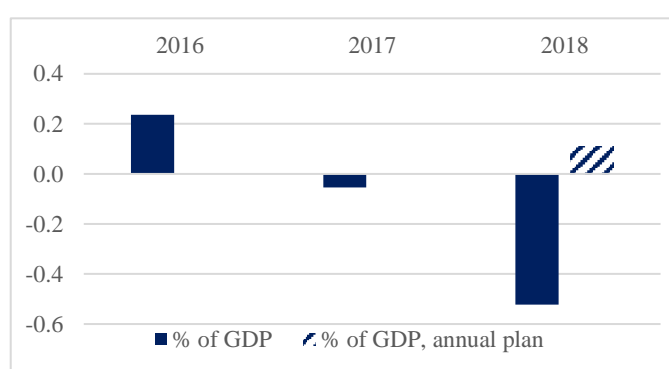


Chart 20. Local government budget balance in 2018, % of GDP. Source: Treasury

The consolidated government budget and the state basic budget in 2018 are negative, as in previous years, **in 2018 reaching -0.75% of GDP for the consolidated government budget**. The government special budget balance shows the opposite result, it is positive and above the annual plan. The local government budget balance is negative and relatively far from its planned 2018 budget.

This summary is based on the monthly publications of the [State revenue service](#) and the [Treasury](#).

¹ Law "On 2018 state budget". Fiscal policy explanations. Available: http://www.fm.gov.lv/files/files/FMPask_D_050218_bud2018.pdf, accessed on 28/01/2019.