

## The Lower House approves the Revenue Law with no meaningful changes

- Today, the Lower House finalized its part in the approval process of the 2023 Revenue Law
- We should remember that, in addition to the approval of the Revenue Law, there are also votes on modifications to the tax code and the Federal Rights Law in this step, which are also fundamental for Federal Government income
- With the brief freeze of the legislative clock (for just a few hours), the process was completed in due time and in compliance with the Fiscal Responsibility Law
- While some changes were approved relative to [the proposal of the MoF](#), there were relatively modest, not having a meaningful effect on revenue figures
- Macroeconomic forecasts were unchanged vs. the MoF's figures, highlighting GDP growth at 3.0%, the Mexican oil mix price at US\$/bbl 68.7, and the exchange rate at USD/MXN 20.6
- Regarding the Federal Rights Law, only one reserve was discussed, although it was not accepted. On the other hand, we highlight increases in charges for the use of the radio spectrum, while some procedures related to the Ministry of Foreign Affairs will have their prices reduced
- The tax code remains the same as the one approved for 2022, implying no new taxes or hikes to the current framework
- Within the Revenue Law, two reserves were accepted. These were:
  - (1) Changes to the regularization process of vehicles bought abroad, with municipalities granted the possibility of transferring and using in 2023 the resources obtained from duties and fares collected in 2022; and
  - (2) Tax breaks for persons and companies that purchase and sell books, newspapers and magazines, with the condition that yearly revenue from these concepts does not surpass \$6 million
- Despite the adjustments, the total amount in the Revenue Law stood at \$8,299.6 billion (US\$402.9 billion), in line with the estimate of the Ministry of Finance
- With this, the proposal is turned to the Senate, which will have until October 31<sup>st</sup> to approve it, either as presented or making their own changes. In the latter case, the proposal would be sent back to the Lower House

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Main fiscal variables – 2023  
% of GDP

Variable	% of GDP
Public balance	-3.6
Budget revenues	22.7
Total revenues <sup>1</sup>	26.3
Total expenditures	26.3
Public debt	49.4

Note: 1. Takes into account revenue from additional debt. Source: Lower House, MoF

Deadlines for the 2023 Budget

Date	Concept	
Sep-8	2023 Budget Proposal	✓
Oct-20	Lower House approval of the Revenue Law	✓
Oct-31	Senate approves the Revenue Law	
Nov-15	Lower House approval of the <i>Spending Budget</i>	

Source: MoF

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