

**Note on the calculation of the consumption indicator for the territorial distribution of the Value Added Tax (VAT) for the year 2018.**

Consumption as taxation object in the Value Added Tax can be defined as the amount of a Theoretical Base comprised by the delivery and performance of all services subject to a non-deductible VAT. In aggregate terms, it is comprised by:

1. Household final consumption expenditure (HFCE)
2. Intermediate consumption, social transfers in kind purchased on the market and gross fixed capital formation of Public Administrations
3. The intermediate consumption and gross fixed capital formation of exempt market branches
4. Gross capital formation in newly constructed dwellings

To obtain of the consumption indicator a partial indicator corresponding to each of the aforementioned operations is elaborated. These partial indicators are weighted by using the information provided by the last available Supply and Use Table (SUT) of the Spanish National Accounts (SNA), compiled according to Benchmark Revision 2019, which is detailed hereunder:

<b>Weightings based on the Use Table 2016. 2019 Benchmark Revision</b>	
	<b>%</b>
Household final consumption expenditure	71,33%
Intermediate consumption and gross fixed capital formation of Public Administrations	12,20%
Social transfers in kind of Public Administrations	1,02%
Intermediate consumption and gross-fixed capital formation of exempt branches	13,09%
Gross capital formation in dwellings	2,36%
<b>Total</b>	<b>100,00%</b>

The partial indicators used for developing the consumption indicator of the reference year 2018 are presented hereunder.

**1) Regional VAT distribution indicator corresponding to household final consumption expenditure.**

This partial indicator is obtained taking into account both the variable domestic final household consumption expenditure published by the Spanish Regional Accounts (SRA) <sup>1</sup> and the tax rate associated to each good and service<sup>2</sup>.

Based on these data, a theoretical collection of VAT within the territory of each Autonomous Community is obtained. The percentages (Spain=100), that are obtained by averaging the last three years available in the consumption estimates of the Regional Accounts according to 2019 Benchmark Revision, used in said calculation are as follows:

**Expenditure indicator for final household consumption. 2019 Benchmark Revision (Common Tax Territory)**

Autonomous Community	Average 2014-2016 %
Andalucía	17,95%
Aragón	3,20%
Asturias, Principado de	2,53%
Balears, Illes	4,26%
Canarias	
Cantabria	1,50%
Castilla y León	5,84%
Castilla-La Mancha	4,32%
Cataluña	19,85%
Comunitat Valenciana	12,09%
Extremadura	2,08%
Galicia	6,17%
Madrid, Comunidad de	16,32%
Murcia, Región de	3,15%
Navarra, Comunidad Foral de	
País Vasco	
Rioja, La	0,74%
Ceuta y Melilla	
<b>España</b>	<b>100,00%</b>

<sup>1</sup> See

[http://www.ine.es/dyngs/INEbase/en/operacion.htm?c=Estadistica\\_C&cid=1254736167628&menu=res\\_ultados&secc=1254736195584&idp=1254735576581](http://www.ine.es/dyngs/INEbase/en/operacion.htm?c=Estadistica_C&cid=1254736167628&menu=res_ultados&secc=1254736195584&idp=1254735576581)

<sup>2</sup> Information included in the weighted average rate calculation that is transmitted to the European Commission in the framework of the determination of the taxable amount for VAT.

**2) Regional VAT distribution indicator corresponding to intermediate consumption (IC), social transfers in kind (STIK) and gross-fixed capital formation (GFCF) of Public Administrations.**

These partial indicators (IC and GFCF indicator; STIK indicator) are obtained mainly taking into account the information provided by the Audit Office on *Public Administrations Accounts* according to 2019 Benchmark Revision.

Thus, the indicators obtained by averaging data from the reference years 2016 and 2017 are as follows:

**IC and GFCF indicator of Public Administrations. 2019 Benchmark Revision.**

**(Common Tax Territory)**

Autonomous Community	Average 2016-2017 (%)
Andalucía	16,90%
Aragón	4,03%
Asturias, Principado de	2,45%
Balears, Illes	2,80%
Canarias	
Cantabria	1,59%
Castilla y León	6,62%
Castilla-La Mancha	4,35%
Cataluña	20,31%
Comunitat Valenciana	10,79%
Extremadura	2,55%
Galicia	7,02%
Madrid, Comunidad de	16,32%
Murcia, Región de	3,40%
Navarra, Comunidad Foral de	
País Vasco	
Rioja, La	0,87%
Ceuta y Melilla	
<b>Total</b>	<b>100,00%</b>

**STIK indicator of Public Administrations. 2019 Benchmark Revision.**

**(Common Tax Territory)**

Autonomous Community	Average 2016-2017 (%)
Andalucía	15,93%
Aragón	2,75%
Asturias, Principado de	2,20%
Balears, Illes	2,86%
Canarias	
Cantabria	1,47%
Castilla y León	5,58%
Castilla-La Mancha	4,20%
Cataluña	23,21%
Comunitat Valenciana	13,53%
Extremadura	2,35%
Galicia	5,72%
Madrid, Comunidad de	16,14%
Murcia, Región de	3,26%
Navarra, Comunidad Foral de	
País Vasco	
Rioja, La	0,80%
Ceuta y Melilla	
<b>Total</b>	<b>100,00%</b>

**3) Regional VAT distribution indicator corresponding to intermediate consumption (IC) and gross-fixed capital formation (GFCF) of exempt branches (except Public Administration and Non Profit Institutions Serving Households).**

The calculation of this partial indicator tries to quantify current or investment acquisitions on which the VAT is levied and, in compliance with regulation specifications, the tax is not deductible as a consequence of carrying out exempt operations. To estimate the non-deducted input VAT payments, the information used is tax information on the characteristics of the activities of each person presenting VAT statements, which implies an Intermediate VAT Type levied on Current Acquisitions and an Intermediate VAT Type levied on Investment Acquisitions.

From the aforementioned data, the following indicator is obtained:

**IC and GFCF indicator of exempt branches (\*) (Common Tax Territory)**

Autonomous Community	Promedio 2016-2018 (%)
Andalucía	12,09%
Aragón	2,86%
Asturias, Principado de	1,74%
Balears, Illes	2,41%
Canarias	
Cantabria	1,03%
Castilla y León	4,28%
Castilla-La Mancha	3,08%
Cataluña	21,65%
Comunitat Valenciana	8,87%
Extremadura	1,26%
Galicia	4,52%
Madrid, Comunidad de	33,43%
Murcia, Región de	2,20%
Navarra, Comunidad Foral de	
País Vasco	
Rioja, La	0,58%
Ceuta y Melilla	
<b>Total</b>	<b>100,00%</b>

(\*) Except Public Administration and Non-profit Institutions Serving Households (NPISH)

**4) Regional VAT distribution indicator corresponding to gross capital formation in newly constructed dwellings.**

This partial indicator is mainly obtained from the housing and urban projects statistics released by the Ministry of Public Works.

From these data, the following indicator is obtained:

<b>Indicator relating to gross capital formation in dwellings</b>	
Autonomous Community	Average 2014-2016% (*)
Andalucía	18,09%
Aragón	3,27%
Asturias, Principado de	2,62%
Balears, Illes	4,83%
Canarias	
Cantabria	1,07%
Castilla y León	6,09%
Castilla-La Mancha	4,88%
Cataluña	13,93%
Comunitat Valenciana	10,94%
Extremadura	1,22%
Galicia	3,25%
Madrid, Comunidad de	27,23%
Murcia, Región de	1,84%
Navarra, Comunidad Foral de	
País Vasco	
Rioja, La	0,74%
Ceuta y Melilla	
Total	100,00%

(\*) Each year is calculated as a fifth order moving average

### Consumption indicator corresponding to the year 2018

Weighting each of the previous indicators by using the weights obtained from the information of the SUT 2016 from the SNA, compiled according to 2019 Benchmark Revision, the following final consumption indicator for the year 2018 is obtained.

<b>Final consumption indicator. Year 2018 (Common Tax Territory)</b>	
<b>Autonomous Community</b>	<b>%</b>
Andalucía	17,034500%
Aragón	3,255695%
Asturias, Principado de	2,413695%
Balears, Illes	3,841828%
Canarias	
Cantabria	1,441651%
Castilla y León	5,734691%
Castilla-La Mancha	4,170379%
Cataluña	20,036939%
Comunitat Valenciana	11,499713%
Extremadura	2,009846%
Galicia	5,987495%
Madrid, Comunidad de	18,812915%
Murcia, Región de	3,026244%
Navarra, Comunidad Foral de	
País Vasco	
Rioja, La	0,734409%
Ceuta	
Melilla	
<b>Total</b>	<b>100,00%</b>