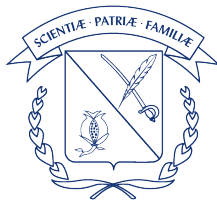


# Public Finances

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FAEDIS

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UNIVERSIDAD MILITAR  
NUEVA GRANADA

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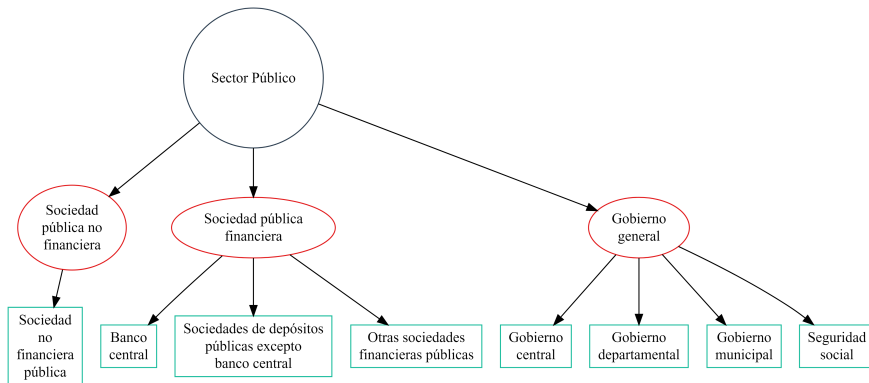
## 7 Acknowledgments

- Check the message **Welcome greeting** published in the News Bulletin Board.
- Dear student please edit your profile uploading a photo where your face is clearly visible.
- The purpose of the virtual meetings is to answer questions and not to make a summary of the study material.
- This presentation is based on (Cardenas 2020, chap. 6)

Explain the role of the State in the economy

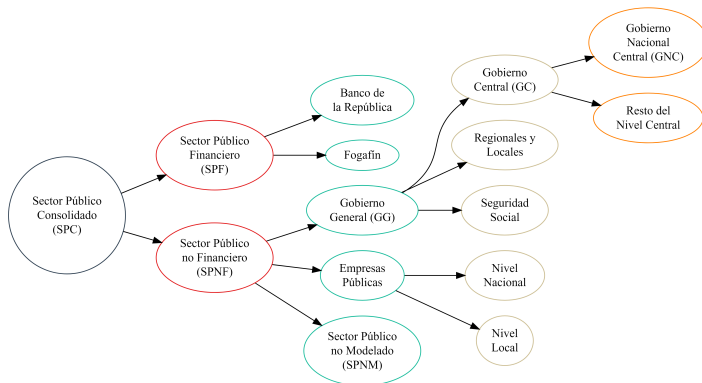
- What are the economic functions of government? (Education 2010, 45–54)
  - **Maintain the Legal and Social Framework**
    - Define and enforce property rights
    - Establish a monetary system
  - **Maintain competition in the marketplace**
    - Create and enforce antitrust laws
    - Regulate natural monopolies
  - **Provide public goods and services**
    - Some goods and services are not provided by the market in the quantities desired by society

- What are the economic functions of government? (**Education 2010, 45–54**)
  - **Correct for externalities**
    - Reduce negative externalities
    - Encourage increased production of goods and services that have positive externalities
  - **Stabilize the economy**
    - Reduce unemployment and inflation
    - Promote economic growth
  - **Redistribute income**
    - Targeting public spending
    - Collect taxes



**Figure 1:** Division based on (Fund 2014, fig 2.3) and (CIEFP 2021) using the Clasificación entidades según Código Único Institucional - CUI





**Figure 2:** Division based on how the difference balances are reported by MinHacienda<sup>1</sup>

<sup>1</sup><https://www.minhacienda.gov.co> > Entidades Financieras > Política Fiscal

- Central National Government (Gobierno Nacional Central (GNC))  
Fiscal Balance
  - The fiscal balance is the difference between the central national government's revenues and its expenditures
  - It shows the extent to which expenditure in a given year is financed by the revenues collected in that year (OECD 2021, p 68)
    - When the central national government spends more than it collects as revenues, it has a **fiscal deficit**
    - When the central national government spends less than it collects as revenues, it has a **fiscal surplus**

**Table 1: Ingresos tributarios y no tributarios (% PIB)**

Concepto	2023 <sup>a</sup>
<b>INGRESOS CORRIENTES DE LA NACION</b>	<b>16.81</b>
<b>INGRESOS TRIBUTARIOS</b>	<b>16.74</b>
<b>DIAN</b>	<b>16.67</b>
Renta	8.87
IVA interno	3.89
IVA externo	2.11
Gravamen arancelario	0.35
Sobretasa a la Importaciones CIF	0.00
Imp. Nacional a la Gasolina y ACPM	0.14
Impuesto al Carbono	0.04
Consumo	0.20
CREE	0.01
Sobretasa a la Gasolina y ACPM	0.00
Gravamen movimientos financieros	0.87
Resto	0.06
Timbre	0.01
Impuesto SIMPLE	0.10
Normalización	0.00
Retención en la fuente inmuebles	0.00
Contribución para la Democracia (Patrimonio) / Impuesto a la riqueza	0.08
<b>INGRESOS NO TRIBUTARIOS</b>	<b>0.08</b>
Contribución de Hidrocarburos	0.00
Concesiones	0.00
Resto	0.08

Source: Ministerio de Hacienda y Crédito Público - Balance Gobierno Nacional Central

Last update: 2024-05-28

<sup>a</sup> % PIB - Cierre fiscal

**Table 2: Ingresos totales (% PIB)**

Concepto	2023 <sup>a</sup>
<b>1. INGRESOS TOTALES (SIN CAUSADOS)</b>	<b>18.84</b>
INGRESOS CORRIENTES DE LA NACION	16.81
INGRESOS TRIBUTARIOS	16.74
INGRESOS NO TRIBUTARIOS	0.08
FONDOS ESPECIALES	0.28
OTROS RECURSOS DE CAPITAL	1.75
Rendimientos Financieros Totales	0.02
Excedentes Financieros	1.61
Ecopetrol	1.37
Banco de la República	0.10
Telecom	0.00
Isa e Isagen	0.00
Bancóldex	0.00
Etapúblicos	0.12
Resto de empresas	0.03
Recuperación de cartera diferente SPNF	0.03
Otros recursos	0.09
Reintegros y recursos no apropiados	0.15
Resto	-0.07

Source: Ministerio de Hacienda y Crédito Público - Balance Gobierno Nacional Central

Last update: 2024-05-28

<sup>a</sup> %PIB - Cierre fiscal

**Table 3: Ingresos y pagos totales (% PIB)**

Concepto	2023 <sup>a</sup>
<b>1. INGRESOS TOTALES (SIN CAUSADOS)</b>	<b>18.84</b>
INGRESOS CORRIENTES DE LA NACION	16.81
<b>INGRESOS TRIBUTARIOS</b>	<b>16.74</b>
INGRESOS NO TRIBUTARIOS	0.08
FONDOS ESPECIALES	0.28
OTROS RECURSOS DE CAPITAL	1.75
<b>2. PAGOS TOTALES</b>	<b>22.11</b>
<b>PAGOS TOTALES SIN INTERESES</b>	<b>16.57</b>
<b>PAGOS CORRIENTES DE LA NACION</b>	<b>19.49</b>
INTERESES	2.92
Intereses deuda externa	0.88
Intereses deuda interna	2.04
Costo impuesto endeudamiento externo	0.00
FUNCIONAMIENTO	16.57
Servicios personales	2.09
<b>Transferencias</b>	<b>13.81</b>
Transferencias regionales (SGP desde 2002)	3.36
Pensiones	3.37
Otras	7.08
Gastos generales y otros	0.68
<b>INVERSION</b>	<b>2.62</b>

Source: Ministerio de Hacienda y Crédito Público - Balance Gobierno Nacional Central

Last update: 2024-05-28

<sup>a</sup> %PIB - Cierre fiscal

**Table 4:** Balance fiscal gobierno nacional central (% PIB)

Concepto	2023 <sup>a</sup>
<b>1. INGRESOS TOTALES (SIN CAUSADOS)</b>	<b>18.84</b>
INGRESOS CORRIENTES DE LA NACION	16.81
INGRESOS TRIBUTARIOS	16.74
INGRESOS NO TRIBUTARIOS	0.08
FONDOS ESPECIALES	0.28
OTROS RECURSOS DE CAPITAL	1.75
<b>2. PAGOS TOTALES</b>	<b>22.11</b>
PAGOS TOTALES SIN INTERESES	16.57
PAGOS CORRIENTES DE LA NACION	19.49
<b>INTERESES</b>	<b>2.92</b>
FUNCIONAMIENTO	16.57
INVERSION	2.62
<b>3. DEFICIT O SUPERAVIT EFECTIVO</b>	<b>-3.27</b>
PRESTAMO NETO	0.00
INGRESOS CAUSADOS	0.00
<b>GASTOS CAUSADOS</b>	<b>0.99</b>
DEUDA FLOTANTE	0.00
<b>4. DEFICIT O SUPERAVIT TOTAL</b>	<b>-4.26</b>
<b>5. COSTOS DE LA REEST. FINANCIERA</b>	<b>0.00</b>
<b>6. DEFICIT A FINANCIAR</b>	<b>-4.26</b>
<b>BALANCE PRIMARIO</b>	<b>-0.35</b>

Source: Ministerio de Hacienda y Crédito Público - Balance  
Gobierno Nacional Central

Last update: 2024-05-28

<sup>a</sup> %PIB - Cierre fiscal

**Table 5: Balance fiscal gobierno nacional central (COP)**

Concepto	2023 <sup>a</sup>
<b>1. INGRESOS TOTALES (SIN CAUSADOS)</b>	<b>296,365,315,838,095.9</b>
INGRESOS CORRIENTES DE LA NACION	264,387,228,958,374.0
INGRESOS TRIBUTARIOS	263,189,938,236,485.4
INGRESOS NO TRIBUTARIOS	1,197,290,721,888.6
FONDOS ESPECIALES	4,404,531,097,792.0
OTROS RECURSOS DE CAPITAL	27,573,555,781,929.9
<b>2. PAGOS TOTALES</b>	<b>347,761,455,208,728.3</b>
PAGOS TOTALES SIN INTERESES	260,641,563,447,192.5
PAGOS CORRIENTES DE LA NACION	306,543,938,313,804.6
<b>INTERESES</b>	<b>45,902,374,866,612.1</b>
FUNCIONAMIENTO	260,641,563,447,192.4
INVERSION	41,217,516,894,923.8
<b>3. DEFICIT O SUPERAVIT EFECTIVO</b>	<b>-51,396,139,370,632.4</b>
PRESTAMO NETO	-64,923,618,060.3
INGRESOS CAUSADOS	0.0
<b>GASTOS CAUSADOS</b>	<b>15,565,729,479,504.4</b>
DEUDA FLOTANTE	19,706,817,372.5
<b>4. DEFICIT O SUPERAVIT TOTAL</b>	<b>-66,916,652,049,449.0</b>
<b>5. COSTOS DE LA REEST. FINANCIERA</b>	<b>0.0</b>
<b>6. DEFICIT A FINANCIAR</b>	<b>-66,916,652,049,449.0</b>
<b>BALANCE PRIMARIO</b>	<b>-5,448,547,703,332.5</b>

Source: Ministerio de Hacienda y Crédito Público - Balance Gobierno Nacional Central

Last update: 2024-05-28

<sup>a</sup> Pesos colombianos (COP)

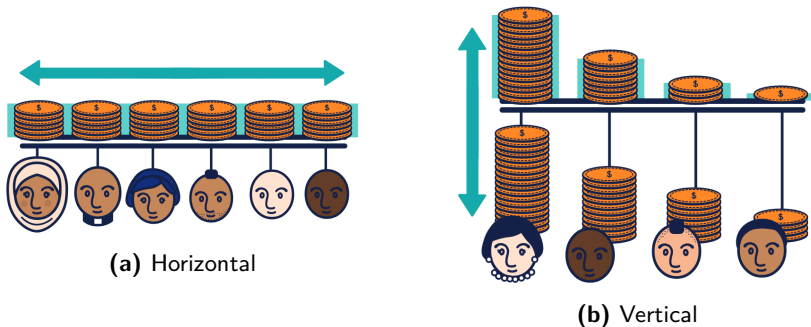
- Useful resources
  - **Global Revenue Statistics Database**
    - <https://data-explorer.oecd.org/> > Taxation > Global tax revenues > Comparative tables of Revenue Statistics in Latin America and the Caribbean
  - **Guía ciudadana a la tributación y el gasto del Estado colombiano** (Universidad Javeriana 2018)
    - <https://www.ofiscal.org/publicaciones> > guías ciudadanas > Tributación y gasto del Estado colombiano > ver y descargar ↓



- **Taxes:** “compulsory unrequited payments to the general government or to a supranational authority” (OECD 2020, 319)
  - *“Taxes are unrequited in the sense that benefits provided by government to taxpayers are not normally in proportion to their payments” (OECD 2020, p 319)*
  - *“The term **tax** does not include fines, penalties and compulsory loans paid to government” (OECD 2020, p 319)*
  - Compulsory social security contributions and paid to general government are treated here as tax revenues (OECD 2020, p 320)

- **Classification of Taxes by the OECD (OECD 2020, 317–18)**
  - 1000 Taxes on income, profits and capital gains (Impuestos sobre la renta, las utilidades y las ganancias de capital)
  - 2000 Social security contributions (Contribuciones a la seguridad social)
  - 3000 Taxes on payroll and workforce (Impuestos sobre la nómina y la fuerza de trabajo)
  - 4000 Taxes on property (Impuestos sobre la propiedad)
  - 5000 Taxes on goods and services (Impuestos sobre los bienes y servicios)
  - 6000 Other taxes (Otros impuestos)

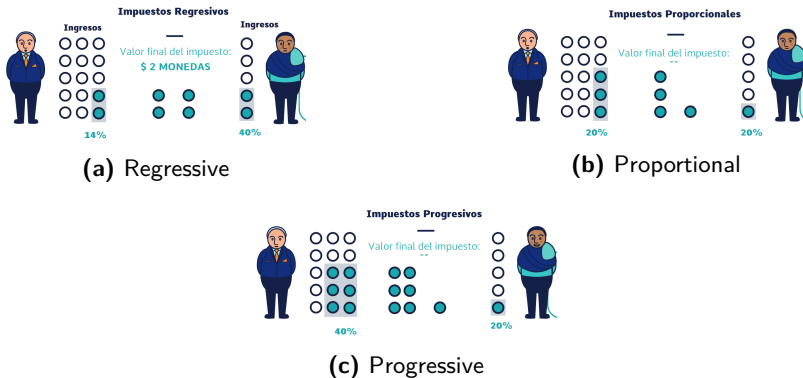
- According to the Colombia's political constitution:
  - “*ARTICULO 363. El sistema tributario se funda en los principios de equidad, eficiencia y progresividad. ...*”
- **Equity**



**Figure 3:** Horizontal and vertical (Universidad Javeriana 2018, 8)

- **Efficiency:** taxes change the behavior of individuals and sometimes distort the economic activity by creating a deadweight loss. Therefore the idea is to have a tax system that minimize or mitigate these negative effects

## Progressivity



**Figure 4:** Regressive, proportional and progressive tax (Universidad Javeriana 2018, 11)



**Figure 5: Total tax revenue as % of Gross Domestic Product**

Variable: Tax revenue as % of total general government taxation  
Period: 2021



Source: Comparative tables of Revenue Statistics in Latin America and the Caribbean – OECD  
Last update date: 2024-06-25

**Figure 6:** Tax structures for Colombia (COL), Latin America and the Caribbean (LAC) and OECD

- Useful resources
  - **Portal de transparencia económica**
    - <https://www.pte.gov.co> > PRESUPUESTO GENERAL DE LA NACIÓN > Ejecución
  - **Guía ciudadana a la tributación y el gasto del Estado colombiano** (Universidad Javeriana 2018)
    - <https://www.ofiscal.org/publicaciones> > guías ciudadanas > Tributación y gasto del Estado colombiano > ver y descargar ↓
  - **Presupuesto en Perspectiva Económica (PePE)**
    - <https://www.ofiscal.org/> > Interactúa > PePE

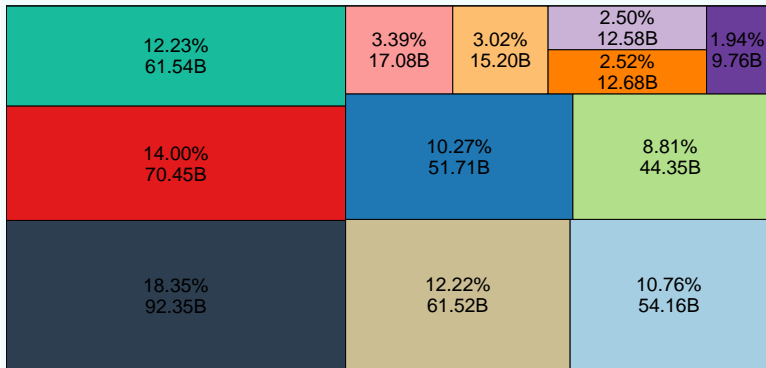


## ● Presupuesto General de la Nación (PGN)

- It is the most important financial management instrument of fiscal policy
- This instrument presents the government's proposed revenues and spending for a specific period
- Every year the “Presupuesto General de la Nación (PGN)” is define for the next year
- The “Presupuesto General de la Nación (PGN)” must be approved by the congress and sanctioned as a law by the president
- For more information check out **Guía ciudadana al Presupuesto General de la Nación** (Universidad Javeriana 2022)
  - <https://www.ofiscal.org/> > Guías > Presupuesto General de la Nación > ver y descargar ↓

Year: 2024

Total national budget: 503,377,161,874,306 COP

Observation: B means billions in long scale (10<sup>12</sup>)

Portal de transparencia económica – <https://www.pte.gov.co/>  
Last update date: 2024-07-16

**Figure 7: Who spends nation's general budget spent on?**

- To my family that supports me
- To the taxpayers of Colombia and the **UMNG students** who pay my salary
- To the **Business Science** and **R4DS Online Learning** communities where I learn **R** and  **$\pi$ -thon**
- To the **R Core Team**, the creators of **RStudio IDE**, **Quarto** and the authors and maintainers of the packages **tidyverse**, **readxl**, **knitr**, **kableExtra**, **tidyquant**, **janitor**, **treemapify**, and **tinytex** for allowing me to access these tools without paying for a license
- To the **Linux kernel community** for allowing me the possibility to use some **Linux distributions** as my main **OS** without paying for a license

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