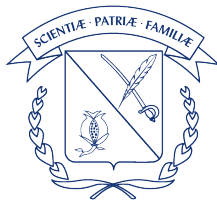


# Public Finances

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FAEDIS

2025-02-10



UNIVERSIDAD MILITAR  
NUEVA GRANADA

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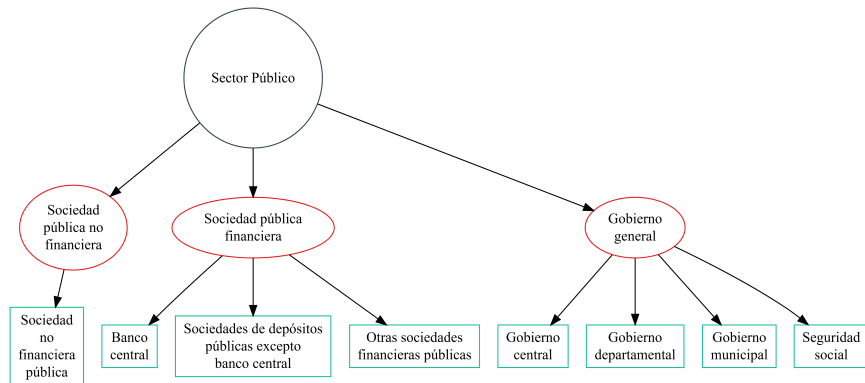
- 1 Please Read Me
- 2 Purpose
- 3 Economic functions of government
- 4 Colombian public sector
- 5 Revenues: taxes
- 6 Acknowledgments

- 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.
- If you want to participate, please fill out the following survey: Primer corte 30% > Learning Activities > Tu opinión sobre la economía colombiana
- This presentation is based on (Cardenas 2020, chap. 6)

Explain the role of the State in the economy

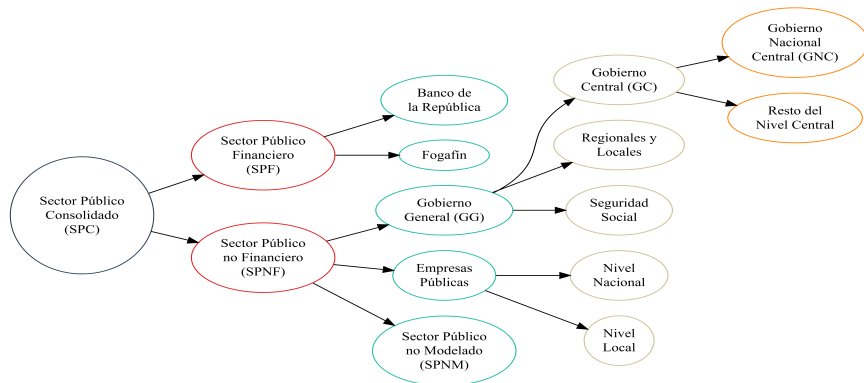
- What are the economic functions of government? (Education 2010, 45–54)
  - **Maintain the Legal and Social Framework**
    - Define and enforce property rights
    - Establish a monetary system
  - **Maintain competition in the marketplace**
    - Create and enforce antitrust laws
    - Regulate natural 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 **Clasificación entidades según Código Único Institucional - CUIN**<sup>1</sup>

<sup>1</sup><https://www.contaduria.gov.co/clasificacion-entidades-segun-cuin>



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

<sup>2</sup><https://www.minhacienda.gov.co/politica-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, 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	2024 Q3 <sup>a</sup>
<b>INGRESOS CORRIENTES DE LA NACION</b>	<b>11.53</b>
<b>INGRESOS TRIBUTARIOS</b>	<b>11.47</b>
<b>DIAN</b>	<b>11.42</b>
Renta	5.50
IVA interno	3.09
IVA externo	1.60
Gravamen arancelario	0.00
Sobretasa a la Importaciones CIF	0.00
Imp. Nacional a la Gasolina y ACPM	0.11
Impuesto al Carbono	0.03
Consumo	0.16
CREE	0.00
Sobretasa a la Gasolina y ACPM	0.00
Gravamen movimientos financieros	0.62
Impuestos saludables y de plastico	0.11
Resto	0.05
Timbre	0.01
Impuesto SIMPLE	0.12
Normalización	0.00
Retención en la fuente inmuebles	0.00
<b>Contribución para la Democracia (Patrimonio) / Impuesto a la riqueza</b>	<b>0.07</b>
<b>INGRESOS NO TRIBUTARIOS</b>	<b>0.06</b>
Contribución de Hidrocarburos	0.00
Concesiones	0.00
Resto	0.06

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

Last update: 2025-01-09

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

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

Concepto	2024 Q3 <sup>a</sup>
<b>1. INGRESOS TOTALES (SIN CAUSADOS)</b>	<b>13.05</b>
INGRESOS CORRIENTES DE LA NACION	11.53
INGRESOS TRIBUTARIOS	11.47
INGRESOS NO TRIBUTARIOS	0.06
FONDOS ESPECIALES	0.21
OTROS RECURSOS DE CAPITAL	1.32
Rendimientos Financieros Totales	-0.18
Excedentes Financieros	1.49
Ecopetrol	0.67
Banco de la República	0.55
Telecom	0.00
Isa e Isagen	0.00
Bancóldex	0.00
Estapúblicos	0.23
Resto de empresas	0.03
Recuperación de cartera diferente SPNF	0.01
Otros recursos	0.00
Reintegros y recursos no apropiados	0.03
Resto	-0.03

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

Last update: 2025-01-09

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

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

Concepto	2024 Q3 <sup>a</sup>
<b>1. INGRESOS TOTALES (SIN CAUSADOS)</b>	<b>13.05</b>
INGRESOS CORRIENTES DE LA NACION	11.53
<b>INGRESOS TRIBUTARIOS</b>	<b>11.47</b>
INGRESOS NO TRIBUTARIOS	0.06
FONDOS ESPECIALES	0.21
OTROS RECURSOS DE CAPITAL	1.32
<b>2. PAGOS TOTALES</b>	<b>16.64</b>
<b>PAGOS TOTALES SIN INTERESES</b>	<b>12.45</b>
<b>PAGOS CORRIENTES DE LA NACION</b>	<b>15.21</b>
INTERESES	2.76
Intereses deuda externa	0.64
Intereses deuda interna	2.11
Costo impuesto endeudamiento externo	0.00
FUNCIONAMIENTO	12.45
Servicios personales	1.54
<b>Transferencias</b>	<b>10.40</b>
Transferencias regionales (SGP desde 2002)	3.00
Pensiones	2.46
Otras	4.94
Gastos generales y otros	0.52
<b>INVERSION</b>	<b>1.43</b>

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

Last update: 2025-01-09

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

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

Concepto	2024 Q3 <sup>a</sup>
<b>1. INGRESOS TOTALES (SIN CAUSADOS)</b>	<b>13.05</b>
INGRESOS CORRIENTES DE LA NACION	11.53
INGRESOS TRIBUTARIOS	11.47
INGRESOS NO TRIBUTARIOS	0.06
FONDOS ESPECIALES	0.21
OTROS RECURSOS DE CAPITAL	1.32
<b>2. PAGOS TOTALES</b>	<b>16.64</b>
PAGOS TOTALES SIN INTERESES	12.45
PAGOS CORRIENTES DE LA NACION	15.21
<b>INTERESES</b>	<b>2.76</b>
FUNCIONAMIENTO	12.45
INVERSION	1.43
<b>3. DEFICIT O SUPERAVIT EFECTIVO</b>	<b>-3.59</b>
PRESTAMO NETO	-0.01
INGRESOS CAUSADOS	0.00
<b>GASTOS CAUSADOS</b>	<b>0.53</b>
DEUDA FLOTANTE	0.22
<b>4. DEFICIT O SUPERAVIT TOTAL</b>	<b>-4.33</b>
<b>5. COSTOS DE LA REEST. FINANCIERA</b>	<b>0.00</b>
<b>6. DEFICIT A FINANCIAR</b>	<b>-4.33</b>
<b>BALANCE PRIMARIO</b>	<b>-1.04</b>

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

Last update: 2025-01-09

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

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

Concepto	2024 Q3 <sup>a</sup>
<b>1. INGRESOS TOTALES (SIN CAUSADOS)</b>	<b>219,881,610,537,685.2</b>
INGRESOS CORRIENTES DE LA NACION	194,145,634,115,018.8
INGRESOS TRIBUTARIOS	193,189,423,478,856.0
INGRESOS NO TRIBUTARIOS	956,210,636,162.7
FONDOS ESPECIALES	3,502,813,281,591.0
OTROS RECURSOS DE CAPITAL	22,233,163,141,075.5
<b>2. PAGOS TOTALES</b>	<b>280,347,532,449,675.8</b>
PAGOS TOTALES SIN INTERESES	209,784,362,802,786.3
PAGOS CORRIENTES DE LA NACION	256,242,210,934,320.4
<b>INTERESES</b>	<b>46,457,848,131,534.0</b>
FUNCIONAMIENTO	209,784,362,802,786.3
INVERSION	24,105,321,515,355.5
<b>3. DEFICIT O SUPERAVIT EFECTIVO</b>	<b>-60,465,921,911,990.6</b>
PRESTAMO NETO	-112,626,386,776.2
INGRESOS CAUSADOS	0.0
<b>GASTOS CAUSADOS</b>	<b>8,882,844,786,940.5</b>
DEUDA FLOTANTE	3,695,829,671,462.9
<b>4. DEFICIT O SUPERAVIT TOTAL</b>	<b>-72,931,969,983,617.8</b>
<b>5. COSTOS DE LA REEST. FINANCIERA</b>	<b>0.0</b>
<b>6. DEFICIT A FINANCIAR</b>	<b>-72,931,969,983,617.8</b>
<b>BALANCE PRIMARIO</b>	<b>-17,591,277,065,143.2</b>

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

Last update: 2025-01-09

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

- 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 ↓

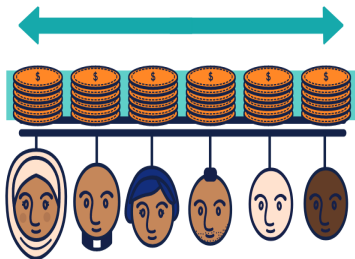
- **Taxes:** “compulsory unrequited payments to the general government or to a supranational authority” (OECD 2020, 319)
  - *“Taxes are unrequited in the sense that benefits provided by government to taxpayers are not normally in proportion to their payments” (OECD 2020, 319)*
  - *“The term **tax**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



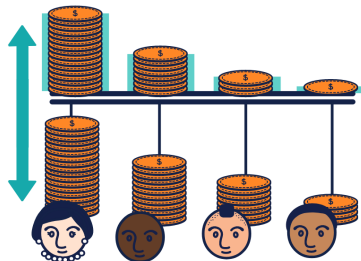
- **Classification of Taxes by the OECD (OECD 2020, 317–18)**
  - 1000 Taxes on income, profits and capital gains (Impuestos sobre la renta, las utilidades y las ganancias de capital)
  - 2000 Social security contributions (Contribuciones a la seguridad social)
  - 3000 Taxes on payroll and workforce (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**



(a) Horizontal



(b) Vertical

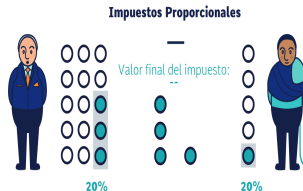
**Figure 3:** Horizontal and vertical (Universidad Javeriana 2018, 8)

- **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

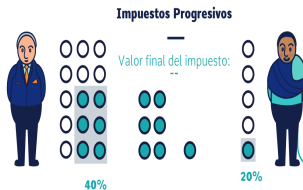
## Progressivity



(a) Regressive



(b) Proportional



(c) Progressive

**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

- 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**, **latex2exp** 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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