



2024 Federal Budget



2024 Federal Budget proposal

In brief

On September 8, 2023, the Executive Branch of the Mexican government presented to Congress the proposed 2024 Federal Budget (“the Bill”), that includes the Federal Revenue Act (“FRA”), the Expenditure Budget and the Economic Policy Criteria for 2024, as well as amendments to the Federal Duties Law.

This year, the Bill does not include any tax reform initiative, thus, no reforms to the Income Tax, Value Added Tax Law, Excise Tax, nor to the Federal Fiscal Code were proposed. Congress shall pass the Bill by October 31, 2023, except for the Expenditure Budget, that must be approved by the Lower House no later than November 15.

In detail

The Bill includes the following criteria of economic policy:

Concept	2024*	2023*
GDP Growth % (range)	2.5-3.5	2.5-3.5
MXN/USD FX (average)	17.6	17.3
Inflation (annual)	3.8%	4.5%
Crude Oil Price (USD/Barrel)	56.7	67.0
Interest Rate (Mexican Bonds 28 days)	10.3%	11.2%

*Estimated figures.

With regards to fiscal revenue, the expectation is that for FY24 it will equal ~14% of Mexico's GDP, according to the FRA, that also includes these budgets in comparison to 2023.

Concept	2024*	2023*	Growth rate %
Budget Revenue	7,329.0	7,270.7	0.8
Fiscal Revenues	4,941.5	4,657.3	6.1
Income Tax	2,709.2	2,630.1	3.0
Value Added Tax	1,330.4	1,297.3	2.6
Excise Tax	688.1	521.4	32.0
Import Taxes	102.0	99.4	2.6
Hydrocarbons	7.8	7.6	2.5
Tax Accessories	84.3	82.2	2.6
Other Taxes	0.3	0.3	2.6
No fiscal revenues	261.6	342.3	-23.6

*Estimated figures in MXN billions.

Federal Revenue Law

Income tax withholding on interest paid by the financial system

Increase from 0.15% to 1.48% for the income tax withholding on interest paid by entities part of the Mexican financial system.

Federal Duties Law

Customs processing fee

A new fixed fee equal to MXN \$407.82 is established as processing fee to imports that are not subject to ad valorem quotas are not applicable according to a trade agreement.

Fee obligation for the temporary use of frequency bands of the radio spectrum

New fee obligation on any authorization granted for the temporary use of frequency bands of the radio spectrum referred to in the Federal Telecommunications and Broadcasting Law (i.e., for the temporary use by a concession holder for migrating upon the end of its concession period). This fee shall be paid within the following three months after the granting of the authorization.

Contact

Marta Milewska

Leader Partner of Tax and Legal Services

marta.milewska@pwc.com

Irene Hernández

Leader Partner of Federal Taxes

irene.hernandez@pwc.com

Brenda García

Partner of Tax Policy

brenda.garcia@pwc.com

pwc.com/mx/reformafiscal