6-29-1990

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LADB Latin America Data Base
News & Educational Services
NotiCen
LADB Article Id: 070348
ISSN: 1089-1560

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Category/Department: General
Published: Friday, June 29, 1990

On June 26, Central Bank president Jorge Guardia said the Costa Rican government will not be able to repay bridge loans from Mexico and Venezuela, nor meet the terms of a stand-by loan agreement from the International Monetary Fund unless the national legislature approves a package to increase tax revenues by $100 million. In August, the government and the IMF are scheduled to conclude an agreement in which San Jose would receive funding to repay bridge loan creditors. Mexico and Venezuela each contributed $35 million to assist Costa Rica in a $1 billion foreign debt reduction program. The tax package contemplates a 3% increase in sales taxes, and the imposition of taxes on basic consumer goods and public services. The new taxes, said Guardia, are necessary to reduce the fiscal deficit from 6% to 2% of GDP. Congresspersons representing the opposition National Liberation Party have rejected the tax package described as "draconian." President Rafael Angel Calderon's party lacks sufficient to seats in the legislature to carry the vote. (Basic data from Notimex, 06/26/90)

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