MIRANDA INTELLIGENCE

Public Affairs Chatter

September 9, 2025

Sheinbaum's First Real Budget: Prudent, Hike in Sin Taxes

The Sheinbaum administration finally unveiled its second economic package on September 8. While formally the government's second budget, it was the first designed from scratch, unanchored from the transition period that shaped the 2025 proposal (Sheinbaum assumed office on October 1, 2024, after the 2025 budget was unveiled but before it was approved). Overall, markets and the private sector welcomed the budget, on the grounds that fiscal stability continues after the excess of the last year of AMLO, while no generalized tax increase nor brand new tax were announced. That said, long-term frailties, mainly related to the fiscal and operational burden posed by Pemex and the rising cost of state pensions and social programs, remain unresolved

Next year's budget seeks expanded compliance through technology—streamlining procedures, modernizing customs, and ramping up action against smuggling and evasion. A key measure disallows the deductibility of three-quarters of IPAB contributions by commercial banks, a long-standing benefit now wrongly framed as unjustified preferential treatment. The broader signal is clear: efficiency gains, not generalized tax hikes, will do the heavy lifting in revenue generation, even if that means confronting sectors previously shielded from direct fiscal pressure.

As part of the 2026 fiscal package, the federal government has proposed a series of adjustments to the Special Tax on Production and Services (IEPS) and related excise measures, so-called sin taxes, with the stated goal of discouraging consumption of products linked to adverse physical and mental health outcomes. These include an increase in the IEPS on flavored beverages to MXN 3.0818 per liter, expanding the scope to cover products containing non-caloric sweeteners, not just traditional sugars. In tobacco, the government proposes raising the ad valorem rate on manufactured cigarettes from 160% to 200%, alongside a gradual hike in the specific quota through 2030, with a transition period between 2026 and 2029. The adjustment also extends to new nicotine-based products, such as "nicotine pouches," and includes a proposal to increase the ad valorem rate for hand-rolled tobacco to 32%.

Beyond tobacco and sugary drinks, the package introduces a new 8% ad valorem tax on digital video game services featuring violent content. Additionally, the tax on gambling activities would rise from 30% to 50%, applied either to the wagered amount or the operator's net intake.

The package also proposes several targeted adjustments to tighten compliance. To curb VAT avoidance, it closes digital platform loopholes used by individuals and foreign residents posing as corporate entities. The reform mandates that both domestic and foreign intermediaries apply VAT withholding in these cases, aiming to increase enforcement and prevent abuse of fiscal classification. FinTech institutions—specifically crowdfunding platforms—will be required to withhold and remit both income tax and VAT. Collectively, these adjustments reflect the government's intent to broaden the tax base by closing technical gaps—especially in high-growth or low-compliance segments—while maintaining revenue neutrality on headline rates.

For Sheinbaum, the fiscal stance balanced political continuity with the need to maintain investor confidence. But the upcoming debates will test whether that balance can hold once concessions are on the table—and whether fiscal messaging translates into durable credibility.

Handshakes on Camera, Deadlines Off-Stage

While public messaging emphasized cooperation, with statements describing it as a "historically productive" encounter, the underlying intent of U.S. Secretary of State Marco Rubio's first official visit to Mexico pointed to non-tariff barriers (NTBs).

Diplomatic statements aside, the U.S. State Department made its position clear. Washington expects Mexico to address over 50 NTBs before any discussion of a USMCA renegotiation can begin. Rubio personally handed a detailed list to Sheinbaum at the National Palace. Simultaneously, Republican lawmakers raised similar concerns with Mexico's Secretary of Economy during meetings on Capitol Hill last week. These issues, flagged in the USTR's March 2025 trade barriers report, have since expanded, with particular focus on energy, intellectual property, and agricultural restrictions.

While the pressure isn't new, it has become more explicit. Following a July 31 call with Sheinbaum, President Trump claimed on social media that Mexico had committed to removing "many" of the barriers. So far, the Mexican government has offered few specifics. A recent presidential report to Congress merely referenced "10 coordination meetings" aimed at regulatory streamlining, without naming any eliminated measures.

Technically, NTBs are administrative or procedural obstacles to trade. Politically, many are rooted in policies implemented during the previous administration—including lithium nationalization, biotech restrictions, and state-favoring energy rules. Rolling them back would mean reopening debates central to Morena's ideological framework, and likely further distancing Sheinbaum from her predecessor's core agenda.

The Navy's Reputation Was Clean—Until It Wasn't

The arrest of retired Vice Admiral Manuel Roberto Farías Laguna, accused of participating in a large-scale fuel smuggling operation, and other related officers, has placed renewed attention on internal corruption within Mexico's Navy and the customs system, and caused a huge reputational crisis for the once mostly respected arm of the military.

It also highlights a dilemma for the Sheinbaum government. If it goes after all implicated officials, it risks tarnishing and antagonizing the military, a key 4T ally, and perhaps seeing the implicated people extend to the Morena movement itself. But if it does not, then impunity and fuel smuggling will likely continue, costing Hacienda billions of dollars, financing drug trafficking, and endangering relations with the US.

MIRANDA INTELLIGENCE

The case intensified on September 8 with the death, by presumed suicide, of Captain Abraham Jeremías Pérez Ramírez, head of the Port Protection Unit in Altamira and a named figure in the case file. According to federal sources, Pérez Ramírez was found dead in his office the same day he was expected to face formal charges. He had allegedly received bribes of MXN 100,000 per vessel, funneled through a network that included customs officials, naval personnel, and port administrators.

The Navy publicly acknowledged the death and expressed condolences, while reiterating its full cooperation with investigators.

The operation followed an investigation of more than two years, and was triggered by the March seizure of 10 million liters of diesel at the port of Tampico. Since then, the Attorney General's Office, in coordination with the Navy and the Security Ministry, has detained 14 individuals, including active and retired military personnel, customs officials, and private-sector intermediaries.

In a joint appearance, AG Alejandro Gertz Manero and Security Secretary Omar García Harfuch confirmed that the ring used fake manifests under the cover of "lubricant additives" to bypass fuel import restrictions. President Sheinbaum addressed the issue in her morning press briefing, promising that the investigation would proceed "to the very top," and characterizing the scheme as part of a broader pattern of fiscal evasion through regulatory subversion.

While the arrests support the administration's anti-corruption narrative, they also expose vulnerabilities within institutions long regarded as resistant to organized criminal infiltration. The Navy—previously perceived as an outlier in a broader landscape of compromised agencies—now faces reputational fallout. The suicide of a key figure before charges could be filed has also raised questions about obstruction, intimidation, or internal pressure, as well as the likelihood of reaching higher levels of command.

Contact:
Gilberto García
Partner and Head of Intelligence
gilberto.garcia@miranda-partners.com

Laura Camacho
Executive Director Miranda Public Affairs
laura.camacho@miranda-partners.com