

# PERSE CREATED MORE JOBS, BUT AT A STEEP PRICE

The tax benefit granted to the events sector to mitigate losses during the pandemic encountered issues with eligibility criteria



The Emergency Program for the Recovery of the Events Sector (PERSE) reduced tax rates on revenues from specific activities to zero for 60 months to mitigate the negative effects of the pandemic on the tourism and events sector in Brazil. Subsequent adjustments established mechanisms for monitoring the exemptions as well as a total fiscal cap, which led to the program's termination in April 2025. The CMAP assessment estimated that participating firms recorded higher job growth, but the policy was largely ineffective, considering its costs and the results achieved. Problems were also identified in the program's eligibility criteria at inception. The study highlights the importance of establishing governance mechanisms and spaces for social participation and dialogue between public and private stakeholders.

## POLICY EVALUATED

Emergency Program for the Recovery of the Events Sector – Commerce and Services (PERSE)

## RESOURCES INVOLVED

**R\$ 15 BI**

\*until its suspension in 2025

## EVALUATION CYCLE

2024-2025

## KEY FINDINGS



Participating firms experienced growth in employment, but the policy's cost was high relative to the results



Modifications to the program facilitated monitoring and led to its termination in 2025



The evaluation underscores the importance of indicators to monitor the policy's results from the outset

In March 2020, isolation and social distancing measures to combat the Covid-19 pandemic had a severe impact on economic activities. Among the hardest-hit were those related to the tourism and events sector—such as concert venues, party venues, bars, and restaurants, among others—as their operations were partially or completely halted that year and for the following two years. Data from the IBGE show a decline in 2020 of approximately 30% in the volume of tourism activities in Brazil compared to the previous year, driven primarily by the restaurant, passenger transport (air and road), hotel, travel agency, catering, and car rental sectors.

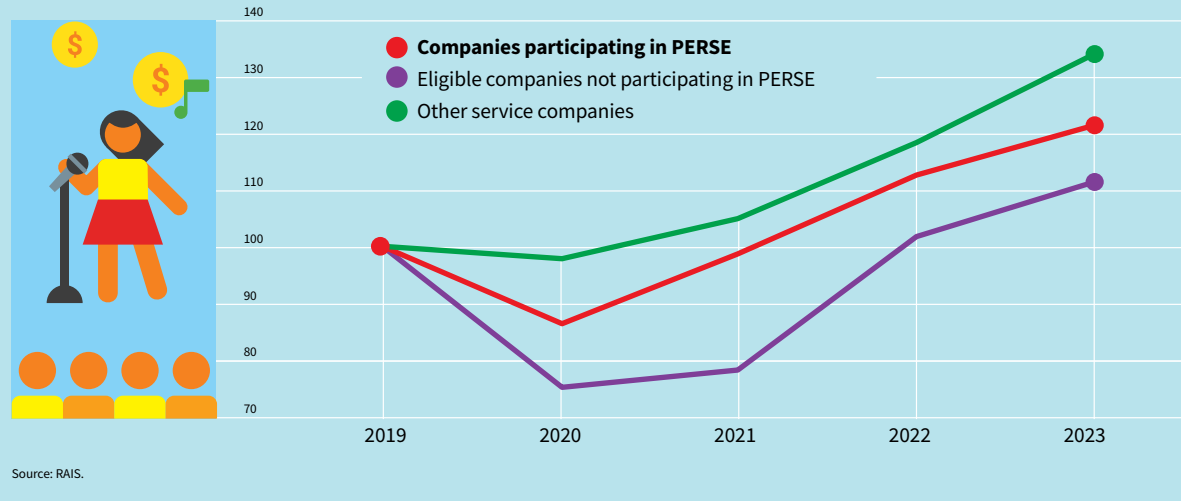
With the aim of mitigating the negative effects on the sector, the Emergency Program for the Recovery of the Events Sector (PERSE) was established in May 2021. Administered by the Federal Revenue Service, the program reduced to zero taxes and levies (such as IRPJ, PIS/Pasep, Cofins, and CSLL) on revenues from specific activities of eligible companies. Significant changes to the policy were subsequently introduced by Laws n. 14.592/23 and n. 14.859/24, in 2023 e 2024 respectively, reducing the number of economic activities eligible for the PERSE program from 88 to 39 in 2022, and to 30 in 2024. A cap of R\$ 15 billion was also introduced on the program's total fiscal cost. Furthermore, starting in 2024, companies were required to obtain prior authorization from the Federal Revenue Service to qualify for the exemption.

An assessment conducted by the Council for Monitoring and Evaluation of Public Policies (CMAP) identified problems with the program's initial eligibility criteria, which did not distinguish between companies conducting in-person activities and those conducting remote activities and which were, therefore, affected differently by the pandemic. To estimate the program's results, the formal employment rate among companies benefiting from the exemption was considered, taken as an indicator of the firms' economic recovery. Data analysis, however, indicates that the companies participating in the program were already showing signs of recovery even before PERSE began.

Preliminary analyses conducted in the CMAP evaluation also estimate that the program had an average positive impact of 12 jobs per year for

## EMPLOYMENT TRENDS AMONG COMPANIES PARTICIPATING AND NOT PARTICIPATING IN PERSE AS WELL AS OTHER SERVICE COMPANIES (2019–2024)

Evolution of employment by category (Base 100 in 2019)



beneficiary firms. Even considering the limitations of the calculation, the conclusion is that PERSE did not perform well from an efficiency standpoint. A comparison between the average cost per job (approximately R\$ 100,000, considering the jobs created and the total value of the tax exemption per company) and the benefit generated (approximately R\$ 50,000, corresponding to each worker's annual income) indicates a cost-benefit ratio that is not very favorable.

The evaluation of the design and implementation process of PERSE, which concluded in March 2025 after reaching its fiscal ceiling, offers important lessons. One of these concerns the risks arising from a flawed initial design, which requires changes to subsidy policies already in effect. In the case of the policy in question, although they led to improvements in the design, the adjustments made subsequently resulted in legal proceedings in order to maintain the benefit.

The PERSE experience also reinforces the need to create, from the outset, instruments for monitoring

Recovery of employment levels among PERSE participants resumed before the policy was in effect

### Indicators of program efficiency

**COST**

**Average tax subsidy amount in 2024\*** **R\$ 1.2 MILLION** per company

**Average cost per job created** **R\$ 99,401**

**BENEFIT**

**Number of jobs per firm\*\*** **12 JOBS**

**Average annual salary at participating firms\*\*\*** **R\$ 50,445**

\*Based on the total amount of tax subsidies granted between January and December 2024 to the 13,984 firms participating in Perse  
 \*\* Based on preliminary estimates  
 \*\*\*According to the Annual Social Information Report (RAIS), the average monthly salary of firms participating in Perse in 2024 was R\$ 2,956.49. Taking into consideration the 13th-month bonus, vacation pay, and social security contributions, this amounts to an average annual salary of R\$ 50,445.

both the tax benefits granted and the indicators that allow for a transparent assessment of the policy's scope and results. Such monitoring only became possible in a more effective manner for the program starting in 2024 with new legislation and the establishment of the Declaration of Incentives, Waivers, Benefits, and Immunities of a Tax Nature (DIRBI), which facilitated access to this information and consequently enabled more precise control.

The report also highlights the importance of establishing governance mechanisms and spaces for social participation and dialogue between public and private stakeholders, fostering greater legitimacy, collective learning, and continuous improvement of the policy.



[CLICK HERE](#) or scan the QR code to read the evaluation reports for this policy