

NIPA Translation of the Fiscal Year 2013 Federal Budget

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ON FEBRUARY 13, 2012, President Obama submitted the *Budget of the United States Government, Fiscal Year 2013* to Congress. The *Analytical Perspectives* volume of this budget includes a presentation of federal government transactions on a national income and product accounts (NIPAs) basis for fiscal years 2002 through 2013. These estimates are prepared by the Bureau of Economic Analysis (BEA) and are consistent with the projected and proposed receipts and outlays defined in the budget for the current fiscal year of 2012 and for the budget year of 2013, as translated into the framework of the NIPAs.¹ They are included in the federal budget to assist readers in gauging the impact of the budget on aggregate economic activity.²

This article presents NIPA estimates for 2011, 2012, and 2013 that are more detailed than the estimates shown in the budget. Differences between the NIPA estimates presented in this article and those presented in the budget are the result of further analysis and the in-

corporation of data that have become available since the publication of the budget. Projected quarterly NIPA estimates for 2012 and 2013 are also presented. These projections will be used by BEA in the development of quarterly NIPA estimates of federal government transactions, including estimates of the federal government component of gross domestic product (GDP). The projections prepared for the budget year also assist data users in making more detailed analyses of the macroeconomic effects of the budget and provide economic forecasters with source data for their models.

The results of the budget translation can be summarized by comparing the budget surplus or deficit to the NIPA measure of net federal government saving (chart 1 and table 1). For 2012 and 2013, net federal government saving is negative but smaller in absolute value than the budget deficit. Net federal government saving for 2013 is -\$874.4 billion, \$347.5 billion less negative than the 2012 value of -\$1,221.9 billion. The budget deficit for 2013 is -\$901.4 billion, \$425.5 billion less negative than the 2012 value of -\$1,326.9 billion.

The remainder of this article consists of four sections. The first section compares budget receipts and outlays to NIPA receipts and expenditures, showing the various adjustments made to translate budget

1. Unless otherwise indicated, all years referred to in this article are federal fiscal years, which run from October 1 to September 30.

2. BEA also provides the Office of Management and Budget with gross domestic product statistics for fiscal years, which are shown in *Historical Tables: Budget of the United States Government, Fiscal Year 2013* (Washington, DC: U.S. Government Printing Office).

Chart 1. Federal Government Fiscal Position

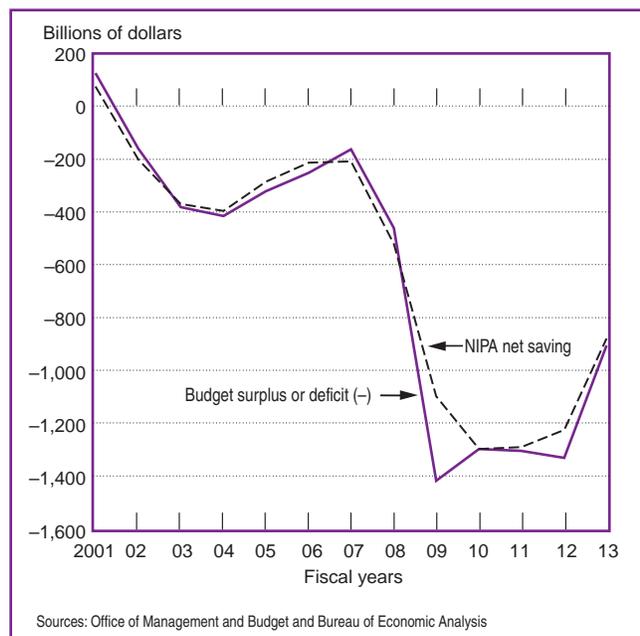


Table 1. Budget Receipts and Outlays and NIPA Federal Government Current Receipts and Expenditures

[Billions of dollars]

	Level for fiscal year			Change from preceding fiscal year	
	Actual	Estimates		2012	2013
	2011	2012	2013		
Budget:					
Receipts	2,303.5	2,468.6	2,902.0	165.1	433.4
Outlays	3,603.1	3,795.5	3,803.4	192.5	7.8
Surplus or deficit (-)	-1,299.6	-1,326.9	-901.4	-27.3	425.5
NIPAs:					
Current receipts	2,516.4	2,668.5	3,131.3	152.2	462.8
Current expenditures	3,802.0	3,890.5	4,005.7	88.4	115.2
Net federal government saving	-1,285.7	-1,221.9	-874.4	63.8	347.5
	Differences				
Budget receipts less NIPA current receipts	-212.9	-199.9	-229.3	13.0	-29.4
Budget outlays less NIPA current expenditures	-198.9	-95.0	-202.3	103.9	-107.3
Budget deficit less NIPA net federal government saving	-13.9	-105.0	-27.0	-91.1	78.0

Sources: *Budget of the United States Government, Fiscal Year 2013* and the Bureau of Economic Analysis.
NIPAs National income and product accounts

estimates into NIPA estimates. The second section summarizes the budget and reviews the effects of major legislative proposals and program changes. The third section presents detailed annual and quarterly NIPA estimates for fiscal years 2012 and 2013. The fourth section explains the methodology that was used in translating the budget projections into a NIPA framework.

Comparison of Budget and NIPA Estimates

NIPA current receipts are greater than budget receipts for every fiscal year from 2002 through 2013. NIPA current expenditures are greater than budget outlays for each of these years except 2009. The coverage, netting and grossing, and timing adjustments that BEA makes to budget estimates are detailed in table 2 (receipts) and table 3 (outlays). Adjustments for national defense spending are shown in table 4. For more information about the types of adjustments that contribute to the differences between NIPA measures and budget measures, see the box “NIPA Estimates of the Federal Sector and the Federal Budget Estimates.”

Budget Estimates

The budget projects that federal receipts will increase \$165.1 billion in 2012 and \$433.4 billion in 2013 (table 5). Excluding the effects of legislative proposals, which

Table 2. Relation of NIPA Federal Government Current Receipts to Budget Receipts
[Billions of dollars]

	Fiscal year		
	2011	2012	2013
Budget receipts	2,303.5	2,468.6	2,902.0
Less: Coverage differences	19.1	24.0	26.3
Contributions received by federal employee retirement plans ¹	4.0	4.3	5.0
Capital transfers received ²	6.8	10.7	12.1
Financial transactions	0.0	0.0	0.0
Other ³	8.3	8.9	9.2
Netting and grossing differences	-175.2	-160.4	-219.3
Supplementary medical insurance premiums	-63.1	-65.1	-72.9
Income receipts on assets	-41.1	-39.1	-45.4
Current surplus of government enterprises	10.8	18.2	13.4
Other ⁴	-81.7	-74.4	-114.4
Plus: Timing differences	56.9	63.5	36.3
Taxes on corporate income	61.1	23.6	17.5
Federal and state unemployment insurance taxes	2.7	0.6	1.1
Withheld personal current tax and social security contributions	-22.8	22.6	15.7
Excise taxes	0.7	-0.4	1.0
Other	15.1	17.1	1.1
Equals: NIPA federal government current receipts	2,516.4	2,668.5	3,131.3

1. Included in the NIPA personal sector.
2. Consists of estate and gift taxes.
3. Consists largely of Universal Service Fund receipts. Includes certain revenues collected from and repaid to U.S. territories and the Commonwealths of Puerto Rico and Northern Mariana Islands.
4. Includes proprietary receipts that are netted against outlays in the budget and that are classified as receipts in the NIPAs and some transactions that are not reflected in the budget but that are added to both receipts and expenditures in the NIPAs.

Sources: *Budget of the United States Government, Fiscal Year 2013* and Bureau of Economic Analysis.

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will be discussed in the next section, the acceleration in federal receipts in 2013 can be largely attributed to a projected increase in economic activity, including a projected annual growth in real GDP of 3.0 percent in 2012 and 2013. Economic growth would result in an increased tax base that would increase individual and corporate income taxes and employment taxes.

Federal outlays are projected to increase \$192.5 billion in 2012 and \$7.8 billion in 2013 (table 6).³ The deceleration in outlays in 2013 can be largely attributed to downturns in outlays for the “commerce and

3. For details about federal outlays by function, see “Table 3.2. Outlays by Function and Subfunction” in *Historical Tables*, 57–76.

Table 3. Relation of NIPA Federal Government Current Expenditures to Budget Outlays
[Billions of dollars]

	Fiscal year		
	2011	2012	2013
Budget outlays	3,603.1	3,795.5	3,803.4
Less: Coverage differences	-8.7	74.6	24.9
Federal employee retirement plan transactions ¹	-58.3	-62.3	-49.8
Interest received	-64.6	-60.7	-59.3
Contributions received (employer)	-132.4	-141.9	-140.4
Benefits paid	138.5	140.1	149.6
Administrative expenses	0.2	0.2	0.2
Financing disbursements from credit programs ²	-60.8	-121.6	-152.3
Other differences in funds covered ³	7.5	8.4	8.3
Net investment ⁴	25.3	16.2	8.4
Capital transfers paid ⁵	103.5	140.1	114.8
Financial transactions	-26.4	94.1	96.1
Loan disbursements less loan repayments and sales	11.4	92.0	100.7
Deposit insurance	1.2	22.9	17.9
Net purchases of foreign currency	0.0	0.0	0.0
Other	-39.0	-20.8	-22.5
Net purchases of nonproduced assets	-0.2	-1.2	-1.4
Outer Continental Shelf	0.0	0.0	0.0
Land and other ⁶	-0.2	-1.2	-1.4
Other ⁷	0.8	0.9	0.9
Netting and grossing differences	-175.2	-160.4	-219.3
Supplementary medical insurance premiums	-63.1	-65.1	-72.9
Interest receipts	-41.1	-39.1	-45.4
Current surplus of government enterprises	10.8	18.2	13.4
Other ⁸	-81.7	-74.4	-114.4
Plus: Timing differences	15.1	9.2	7.9
Purchases (increase in payables net of advances)	-4.2	-4.2	-3.4
Interest	0.1	0.1	0.1
Current transfer payments	20.8	15.1	12.5
Other timing ⁹	-1.6	-1.8	-1.3
Equals: NIPA federal government current expenditures	3,802.0	3,890.5	4,005.7

1. These transactions are included in the NIPA personal sector and include the Uniformed Services Retiree Health Care Fund.

2. Consists of transactions (not included in the budget totals) that record all cash flows arising from post-1991 direct loan obligations and loan guarantee commitments. Many of these flows are for new loans or loan repayments; therefore, related entries are included in “Loan disbursements less loan repayments and sales.”

3. Consists largely of agencies or accounts, such as the Postal Service and the Federal Financing Bank, that were not included in the budget in some periods, and the Universal Service Fund. Includes repayments of certain collections from the U.S. territories and the Commonwealths of Puerto Rico and Northern Mariana Islands.

4. Net investment is gross investment less consumption of fixed capital for government enterprises and general government.

5. Consists of investment grants to state and local governments and maritime construction subsidies. Excludes the forgiveness of debts owed by foreign governments to the U.S. government or payments to the Uniformed Services Retiree Health Care Fund to amortize unfunded liability; both are classified as capital transfers paid by the United States and are excluded from both budget outlays and NIPA current expenditures.

6. Consists of net sales of land other than the Outer Continental Shelf and includes auctions of licenses for the electromagnetic spectrum.

7. Consists largely of net expenditures of foreign currencies.

8. Includes proprietary receipts that are netted against outlays in the budget and that are classified as receipts in the NIPAs and some transactions that are not reflected in the budget data but that are added to both receipts and expenditures in the NIPAs.

9. Primarily includes timing on subsidies and government enterprises.

Sources: *Budget of the United States Government, Fiscal Year 2013* and Bureau of Economic Analysis.

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NIPA Estimates of the Federal Sector and the Federal Budget Estimates

The Bureau of Economic Analysis (BEA) prepares estimates of the federal sector in the framework of the national income and product accounts (NIPAs). Unlike the federal budget, which is a financial plan of the government, the NIPA federal sector estimates are designed to facilitate macroeconomic analyses of the effects of federal government activity on economic activity.¹

In translating budget estimates into the framework of the NIPAs, three primary types of adjustments are made. These adjustments result in NIPA estimates of current receipts and expenditures that differ from corresponding estimates of receipts and outlays in the budget.

- **Coverage adjustments** are necessary because certain transactions that are included in the budget are excluded from the NIPAs (and vice versa).
- **Netting and grossing adjustments** are necessary because certain transactions that are recorded as offsets to outlays in the budget are recorded as receipts in the NIPAs.
- **Timing adjustments** are necessary because certain receipts and outlays that are recorded on a cash basis in the budget are recorded on an accrual basis in the NIPAs.

The arrangement of federal transactions in the federal sector NIPA statistics differs from that in the budget estimates because of different treatments of capital transactions. Unlike the federal budget estimates, the NIPAs distinguish current transactions from capital transactions, which include expenditures to acquire, improve, or dispose of nonfinancial assets such as property or equipment. In the NIPAs, current transactions for production, income, and consumption are presented in summary NIPA accounts one through five, while capital transactions are presented in summary NIPA accounts six and seven.² Because of this organization, the following types of transactions are not included in NIPA federal government current receipts and current expenditures but are shown in account six and as items in NIPA table 3.2:

- **Government investment** in fixed assets. In the NIPAs, government consumption expenditures exclude investment in fixed assets and include consumption of fixed capital, a depreciation charge on fixed assets that are used in production.
- **Transfers involving the acquisition or disposal of assets.** In the NIPAs, these transactions are classified as capital transfer receipts and payments and are presented in the domestic capital account.³ Capital transfers include certain investment grants-in-aid to state and local governments, investment subsidies to businesses, lump-sum payments to amortize the

unfunded liability of the Department of Defense Medicare-Eligible Retiree Health Care Fund and the Postal Service Retiree Health Benefits Fund, payments to retroactively reimburse veterans for the costs of some past medical treatments, the implied subsidy costs of financial stabilization equity purchases, the payments of insurance benefits related to catastrophes, and estate and gift taxes.

- **Transactions involving nonproduced assets.** In the NIPAs, purchases and sales of nonproduced assets, such as land and radio spectrum licenses, are reflected in “capital account transactions (net)” in the domestic capital account.
- The NIPA estimates also differ from the budget estimates because of different definitions of the scope and coverage of the federal government sector. Examples include the following:
- **Retirement plans.** NIPA federal government receipts exclude government employee contributions to retirement plans, which are included in budget receipts, because these contributions are included in NIPA personal income as part of the income of employees. Similarly, NIPA current expenditures exclude federal employee retirement benefits, which are included in budget outlays, because these benefits are paid from assets that represent equity belonging to the personal sector.
 - **Other differences.** The NIPA federal government sector also excludes other transactions, such as contributions by telecommunications providers into the Federal Communication Commission Universal Service Fund and outlays from this Fund. In the NIPAs, this fund is treated as a nonprofit institution serving business, and these transactions are included in the NIPA business sector.

Receipts

For most years, the differences between NIPA current receipts and budget receipts primarily reflect capital transfers received, supplementary medical insurance premiums, and personal and business current transfer receipts. (Personal and business current transfer receipts are classified as receipts in the NIPAs, but some are netted against outlays in the budget.)

Expenditures

For most years, the differences between NIPA current expenditures and budget outlays primarily reflect capital transfers paid, federal employee retirement plan transactions, personal and business current transfer receipts, and net investment.

In the NIPAs, budget outlays for national defense and nondefense are reflected in both consumption expenditures and gross investment. For national defense, the budget outlays differ from the NIPA estimates for several reasons:

- The NIPA measure includes general government consumption of fixed capital.
- The NIPAs include cash payments to amortize the unfunded liability for military and civilian retirement benefits as defense consumption expenditures; the budget records these payments as intergovernmental transactions.
- NIPA expenditures are recorded on a delivery (accrual) basis, and budget outlays are recorded on a cash basis; thus, in the NIPAs, all work in progress except ships and structures are included as part of change in private inventories.

1. For a comparison, see tables 4 and 5 and NIPA table 3.18B. See also “National Income and Product Accounts” in *Analytical Perspectives*, 471–475.

2. Current transactions are presented in the “Domestic Income and Product Account,” “Private Enterprise Income Account,” “Personal Income and Outlay Account,” “Government Receipts and Expenditures Account,” and “Foreign Transactions Current Account.” Capital transactions are presented in the “Domestic Capital Account” and the “Foreign Transactions Capital Account.” See “Summary National Income and Product Accounts,” *SURVEY OF CURRENT BUSINESS* 91 (August 2011): 38–39. The federal government components of the domestic capital account are often shown as addenda in tables presenting federal government current receipts and expenditures.

3. The flow of funds accounts of the Federal Reserve Board present detailed information on the acquisition and disposal of financial assets and liabilities by U.S. economic sectors, including the federal government.

Table 4. Relation of National Defense Consumption Expenditures and Gross Investment to National Defense Outlays

	Fiscal year		
	2011	2012	2013
	[Billions of dollars]		
Budget outlays for national defense	705.6	716.3	701.8
Department of Defense, military	678.1	688.3	672.9
Military personnel	161.6	156.2	155.9
Operation and maintenance	291.0	294.5	294.2
Procurement	128.0	139.9	124.6
Aircraft	35.5	42.4	41.2
Missiles	6.4	9.3	7.4
Ships	12.1	16.4	14.0
Weapons	8.5	7.7	6.4
Ammunition	2.2	2.2	2.9
Other ¹	63.4	61.8	52.5
Research, development, test, and evaluation	74.9	75.9	71.8
Other	22.6	21.8	26.5
Atomic energy and other defense-related activities	27.6	28.0	28.9
Plus: Consumption of general government fixed capital	95.2	100.5	104.6
Additional payments to military and civilian retirement funds	50.1	52.5	54.3
Less: Grants-in-aid to state and local governments and net interest paid	3.8	3.8	3.8
Timing differences	4.6	2.1	-0.1
Other differences	20.4	22.2	21.8
Equals: NIPA national defense consumption expenditures and gross investment	822.1	841.3	835.2
Less: National defense gross investment ²	111.8	107.5	103.1
Equals: NIPA national defense consumption expenditures	710.3	733.8	732.1

1. Includes outlays for military construction, family housing, and anticipated funding for war operations.

2. Gross investment consists of general government expenditures for fixed assets; inventory investment is included in federal government consumption expenditures.

Sources: *Budget of the United States Government, Fiscal Year 2013* and the Bureau of Economic Analysis.

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Table 5. Budget Receipts by Source

	Level for fiscal year				Change from preceding year		
	2010	2011	2012	2013	2011	2012	2013
	[Billions of dollars]						
Budget receipts	2,162.7	2,303.5	2,468.6	2,902.0	140.7	165.1	433.4
Individual income taxes	898.5	1,091.5	1,164.7	1,359.3	192.9	73.2	194.6
Corporation income taxes	191.4	181.1	236.8	347.7	-10.4	55.7	110.9
Social insurance taxes and contributions	864.8	818.8	840.7	959.1	-46.0	21.9	118.4
Excise taxes	66.9	72.4	79.4	88.1	5.5	7.0	8.6
Estate and gift taxes	18.9	7.4	11.4	12.7	-11.5	4.0	1.4
Customs duties	25.3	29.5	30.8	33.5	4.2	1.3	2.7
Miscellaneous receipts	96.8	102.8	104.9	101.6	6.0	2.1	-3.3

Source: *Budget of the United States Government, Fiscal Year 2013*.

housing credit,” “education, training, employment, and social services,” and “national defense” functions. The downturn in outlays for commerce and housing credit primarily reflects the pattern of financial payments by the federal government, including outlays related to the Troubled Asset Relief Program and net outlays from the deposit insurance fund. The downturn in outlays for education, training, employment, and social services is primarily the result of legislative

Table 6. Budget Outlays by Function

	Level for fiscal year				Change from preceding year		
	2010	2011	2012	2013	2011	2012	2013
	[Billions of dollars]						
Budget outlays	3,456.2	3,603.1	3,795.5	3,803.4	146.8	192.5	7.8
Social security	706.7	730.8	778.6	825.9	24.1	47.8	47.3
National defense	693.6	705.6	716.3	701.8	12.0	10.7	-14.5
Income security	622.2	597.4	579.6	559.4	-24.9	-17.8	-20.2
Medicare	451.6	485.7	484.5	530.2	34.0	-1.2	45.8
Health	369.1	372.5	361.6	385.9	3.4	-10.9	24.2
Net interest	196.2	230.0	224.8	247.7	33.8	-5.2	22.9
Veterans benefits and services	108.4	127.2	129.6	140.1	18.8	2.4	10.5
Education, training, employment, and social services	127.7	101.2	139.2	122.1	-26.5	38.0	-17.1
Transportation	92.0	93.0	102.6	114.2	1.0	9.6	11.7
Administration of justice	54.4	56.1	62.0	62.8	1.7	6.0	0.8
International affairs	45.2	45.7	56.3	59.6	0.5	10.6	3.3
Natural resources and environment	43.7	45.5	42.8	41.3	1.8	-2.6	-1.5
Community and regional development	23.8	23.8	31.7	35.0	0.0	7.9	3.3
General science, space, and technology	30.1	29.5	31.0	31.3	-0.6	1.5	0.3
General government	23.0	25.5	31.8	26.3	2.5	6.3	-5.5
Agriculture	21.4	20.7	19.2	25.6	-0.7	-1.5	6.5
Energy	11.6	12.2	23.3	13.9	0.6	11.1	-9.4
Allowances ¹	0.0	0.0	0.1	1.6	0.0	0.1	1.5
Commerce and housing credit	-82.3	-12.6	79.6	-25.0	69.7	92.2	-104.6
Undistributed offsetting receipts ²	-82.1	-86.5	-98.9	-96.3	-4.4	-12.4	2.6

1. Allowances are included in budget totals to cover certain budgetary transactions that are expected to increase or decrease outlays, receipts, or budget authority but are not reflected in the program details.

2. Undistributed offsetting receipts are two categories of collections that are governmental in nature and that are not credited to expenditure accounts: Receipts from performing business-like activities, such as proceeds from selling federal assets or leases, and shifts from one account to another, such as agency payments to retirement funds.

Source: *Budget of the United States Government, Fiscal Year 2013*.

proposals. The downturn in outlays for national defense reflects downturns in outlays for procurement and military research and development.

Proposed legislative and program changes

The budget estimates include budget projections of receipts and outlays that are based on current law as well as on policy proposals. Policies that are not in the current-law baseline but that the administration believes are likely to be enacted are included in the budget’s adjusted baseline, which is also referred to as the current-services baseline.⁴ In this budget, the adjusted baseline includes a permanent extension of the 2001 and 2003 income tax cuts for all taxpayers (the “Bush tax cuts”), permanent indexation to inflation of the tax year 2011 amounts for the alternative minimum tax exemption, and a postponement of scheduled reductions in Medicare payments for physician services.⁵

4. The current-law baseline is an estimate of what federal revenues and outlays would be in the absence of any new legislation.

5. For a complete list of policies assumed in the adjusted baseline, see “Budget Process” in *Analytical Perspectives: Budget of the United States Government, Fiscal Year 2013* (Washington, DC: U.S. Government Printing Office): 181–184.

Additional policies that are included in the budget but that are not in the adjusted baseline are treated as proposed legislation.⁶ If enacted, proposed legislation, relative to the adjusted baseline, would reduce federal receipts by \$121.9 billion in 2012 and increase federal receipts by \$19.6 billion in 2013 (table 7). Proposed legislation would increase federal outlays by \$78.5 billion in 2012 and \$148.8 billion in 2013. Therefore, the net effect of proposed legislation would be to increase the federal deficit by \$200.3 billion in 2012 and \$129.2 billion in 2013.

Receipts

The following legislative proposals would increase receipts in 2013:

- A proposal to allow the “Bush tax cuts” to expire at the end of calendar year 2012 for upper-income taxpayers would increase federal receipts by a projected \$83.4 billion in fiscal year 2013.⁷
- A proposal to reform the U.S. international tax system, described in the budget as “closing loopholes” in the taxation of multinational corporations, would increase federal receipts by \$9.5 billion in 2013.⁸
- A proposal to repeal tax policies that impact fossil fuel industries would increase federal receipts by \$4.4 billion in 2013. The policy that would contribute the most to this increase allows the deduction of certain expenses related to drilling oil and gas wells, including the costs of labor, fuel, repairs, and supplies necessary for drill preparation and well construction.

6. The current-law baseline also includes reductions in discretionary spending that are consistent with the budget authority caps stipulated by the Budget Control Act of 2011 (BCA) and further reductions in spending that would be required to enforce the deficit reduction targets defined by the Joint Committee on Deficit Reduction established by the BCA. In the budget estimates presented here, these reductions have been zeroed out and replaced with specific budget policies that conform to the BCA caps on budget authority and replace the enforcement of Joint Committee targets with alternative means of deficit reduction. Zeroing out these reductions is shown as an increase in the allowances function in table 7.

7. Upper-income taxpayers are defined as married couples with incomes of more than \$250,000 or single taxpayers with incomes of more than \$200,000. This proposal would include the reinstatement of the marginal individual income tax rates of 36 percent and 39.6 percent, would tax qualified dividends as ordinary income for upper-income taxpayers, would tax net long-term capital gains at a 20 percent rate for upper-income taxpayers, would reinstate the maximum rate at which itemized deductions can reduce an individual's tax liabilities to 28 percent rather than the individual's marginal tax rate, would reinstate the phase-out of the personal exemption for upper-income taxpayers, and would reduce the value of certain tax expenditures.

8. The three policy proposals that contribute the most to these increases would defer the deduction of some interest expense related to the income of foreign subsidiaries, would reform how the earnings and profits of a corporation's foreign subsidiaries are used in determining the amount of foreign tax credits, and would tax excess returns associated with the transfer of intangible assets offshore. For details, see “Governmental Receipts” in *Analytical Perspectives*, 187–225.

The following legislative proposals would reduce receipts in 2013:

- A proposal to extend the temporary 2 percentage point reduction in the employee social security payroll tax rate through the end of calendar year 2012 would reduce receipts from payroll taxes by \$63.2 billion in fiscal year 2012 and \$29.6 billion in fiscal year 2013. Legislation to extend the payroll tax cut

Table 7. Proposed Legislative and Program Changes in the Budget
[Billions of dollars]

	Fiscal year	
	2012	2013
Receipts		
Current-services estimates ¹	2,590.5	2,882.3
Plus: Proposed legislation excluding proposals assumed in the baseline ²	-121.9	19.6
Sunset the Bush tax cuts for upper-income taxpayers ³	0.0	83.4
Reform U.S. international tax system	0.0	9.5
Eliminate fossil fuel preferences	0.0	4.4
Income tax cuts for families and individuals	0.0	-3.7
Continue expiring individual tax relief provisions	-1.3	-3.7
Continue expiring business tax relief provisions	-3.7	-8.2
Extend temporary reduction in the social security payroll tax rate for employees and self-employed individuals	-63.2	-29.6
Tax cuts for businesses	-53.3	-36.9
Other	-0.4	4.5
<i>Equals:</i> The budget	2,468.6	2,902.0
Outlays		
Current-services estimates ¹	3,717.1	3,654.6
Plus: Program changes excluding proposals assumed in the baseline ²	78.5	148.8
Allowances ⁴	0.0	53.4
Education, training, employment, and social services	37.4	29.9
National defense	0.0	26.3
Income security	26.8	25.1
Transportation	5.7	16.5
Community and regional development	0.7	5.2
Health	2.8	2.4
Net interest	1.6	2.1
General government	0.2	1.4
Energy	1.1	0.3
International affairs	0.0	0.2
Agriculture	0.0	0.1
Veterans benefits and services	0.0	0.1
General science, space, and technology	0.0	-0.3
Undistributed offsetting receipts	-3.2	-1.1
Social security	0.0	-1.1
Commerce and housing credit	2.7	-1.2
Natural resources and environment	0.1	-1.4
Medicare	0.2	-4.6
Administration of justice	2.4	-4.7
Other	0.0	0.0
<i>Equals:</i> The budget	3,795.5	3,803.4
Current-services surplus or deficit (-)	-1,126.6	-772.2
Proposed changes, receipts less outlays	-200.3	-129.2
Administration budget surplus or deficit (-)	-1,326.9	-901.4
Addenda:		
Budget Enforcement Act current-services baseline surplus or deficit (-)	-1,096.7	-598.1
Plus: Adjustments to reflect current tax policies	-20.6	-244.9
Plus: Adjustments to reflect current spending policies	-9.3	70.8
<i>Equals:</i> Current-services surplus or deficit (-)	-1,126.6	-772.2

1. These current-services estimates reflect proposed adjustments to the Budget Enforcement Act current-services baseline. For information on these adjustments, see “Budget Process” in *Analytical Perspectives*, 157–184.

2. Consistent with the budget, the proposed legislation excludes budget reform proposals that are included in the baseline.

3. These include, for those with income in excess of \$250,000 (\$200,000 if single), reinstating the 36 percent tax rate, reinstating a limitation on itemized deductions, and imposing a 20 percent tax rate on capital gains and dividends.

4. Allowances are included in budget totals to cover certain budgetary transactions that are expected to increase or decrease outlays, receipts, or budget authority but that are not reflected in the program details. Source: *Budget of the United States Government, Fiscal Year 2013*.

was enacted after the submission of the budget. For more information, see the box “Middle Class Tax Relief and Job Creation Act of 2012.”

- A proposal to reduce business taxes on individuals and corporations would reduce federal receipts by a combined \$53.3 billion in 2012 and \$36.9 billion in 2013. The three policy proposals that contribute the most to these increases would extend a policy that allows businesses to deduct 100 percent of the cost of depreciation of qualified properties in their first year of service, would provide a 10 percent tax credit to businesses for any increase in wages resulting from new hires or wage increases for existing employees, and would permanently extend the existing business tax credit for qualified research and experimentation.⁹

Outlays

The following legislative proposals would increase budget outlays in 2013:

- When the budget was submitted, the Emergency Unemployment Compensation program and full federal funding for the Extended Benefits program were scheduled to expire in March 2012. A proposal to extend both programs for 10 months would

9. Research and development (R&D) tax credits, which are intended to stimulate private spending on R&D, have been temporarily extended 14 times since they were enacted in 1981; the most recent extension expired at the end of tax year 2011.

increase federal outlays for the “income security” function by \$21.3 billion in 2012 and \$19.0 billion in 2013. Despite this proposed extension, unemployment compensation is projected to decrease \$11.6 billion in 2012 and \$31.5 billion in 2013 because unemployment claims are projected to decline. Legislation to extend these unemployment programs was enacted after the submission of the budget, but the provisions of that legislation differ from those proposed in the budget.

- Provisions of the proposed American Jobs Act that have been incorporated into the budget would increase outlays for the “education, training, employment, and social services” function by \$35.6 billion in 2012 and \$31.7 billion in 2013. For more information, see the box “Effects of the Proposed American Jobs Act on Outlays for Education.”
- A proposal to invest in infrastructure projects to improve roads, bridges, transit systems, border crossings, railways, and runways would increase outlays for the “transportation” function by \$5.7 billion in fiscal year 2012 and \$18.3 billion in 2013.
- Proposals to provide financial relief to the U.S. Postal Service include the restructuring of the financing of health benefits and changes to operations. These reforms would increase outlays for “income security,” “commerce and housing,” “health,” and “undistributed offsetting receipts” functions by a combined \$7.6 billion in 2012 and

Middle Class Tax Relief and Job Creation Act of 2012

The budget estimates in this article reflect the laws that had already been enacted when the budget was submitted to Congress on February 13, 2012, and the impacts of legislative proposals that are included in the budget. These estimates do not include the impacts of legislation enacted since the release of the budget, including the Middle Class Tax Relief and Job Creation Act of 2012, which was enacted on February 22, 2012. Some provisions of this act are similar to the legislative proposals assumed in the budget, but others are not.

- The act extends the temporary 2 percentage point reduction in the social security payroll tax rate for employees and the self-employed through the end of calendar year 2012. The Congressional Budget Office (CBO) estimates that this enacted rate reduction will reduce federal revenues \$93.2 billion through 2013.¹ The budget proposal to extend the reduction in the social security payroll tax rate was projected to reduce federal receipts by \$94.3 billion through 2013.
- The act extends unemployment benefits through the

end of calendar year 2012 and includes funding for a new short-time compensation program, also known as work-sharing. Unlike similar budget proposals, the act gradually reduces the maximum number of weeks of unemployment benefits from 99 to 59 and reforms the administration of unemployment insurance. The CBO estimates that the enacted extension will increase outlays for unemployment compensation benefits by \$30.1 billion through 2013. The budget proposals to extend unemployment benefits and fund work-sharing were projected to increase outlays by \$40.3 billion through 2013.

- The act postpones scheduled reductions in Medicare payments for physician services until the end of calendar year 2012. These payments were scheduled to be adjusted down 27.4 percent on March 1, 2012, in order to meet the target Medicare sustainable growth rate calculated by the Centers for Medicare and Medicaid Services. The CBO estimates that the act will increase outlays for physician payments by \$13.2 billion through 2013. The budget proposal to permanently extend Medicare physician payments at current rates would increase outlays in the adjusted baseline by \$34.9 billion through 2013.

1. CBO estimates are taken from “Budgetary Effects of the Conference Agreement for H.R. 3630, the Middle Class Tax Relief and Job Creation Act of 2012, as posted on the Web Site of the House Committee on Rules on February 16, 2012.”

\$4.9 billion in 2013.

The following legislative proposal would reduce budget outlays in 2013:

- A proposal that would require pharmaceutical companies to provide rebates for prescription drugs to private Medicare insurers would reduce outlays for the “Medicare” function by \$3.8 billion in 2013. These rebates would be equivalent to the rebates currently provided to Medicaid insurers.

NIPA Estimates

Fiscal year estimates

Receipts. Total NIPA federal government current receipts are projected to increase \$152.2 billion in fiscal year 2012 and \$462.8 billion in fiscal year 2013 (chart 2 and table 8). The acceleration in 2013 is the result of projected increases in the tax base, which are based on economic assumptions defined in the budget and the impacts of proposed legislation.¹⁰

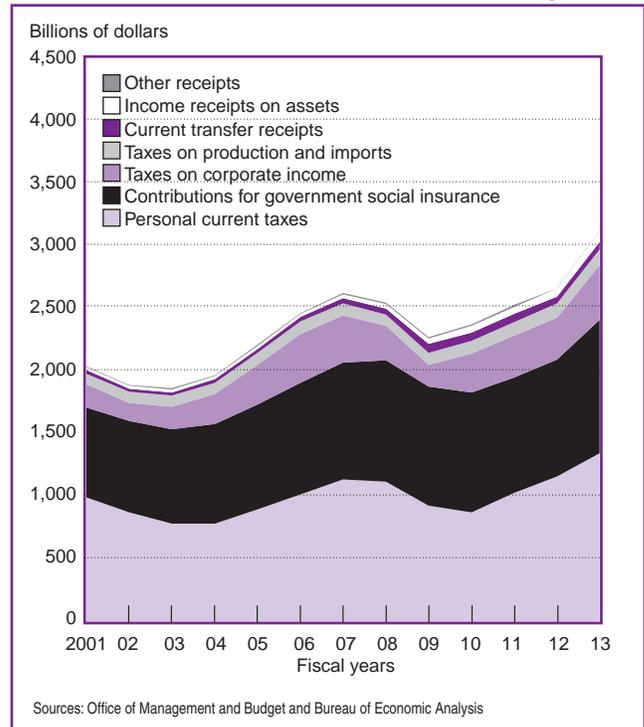
Contributions for government social insurance are projected to increase \$9.8 billion in 2012 and \$130.7 billion in 2013. The acceleration in 2013 is primarily caused by the scheduled expiration of the reduction to

10. For details, see “Economic Assumptions” in *Analytical Perspectives*, 9–21.

social security contribution rates for employees and the self-employed.

Expenditures. Total NIPA federal government current expenditures are projected to increase \$88.4 billion in fiscal year 2012 and \$115.2 billion in fiscal 2013

Chart 2. Federal Government Current Receipts



Effects of the Proposed American Jobs Act on Outlays for Education

President Obama proposed the \$447 billion American Jobs Act to Congress on September 8, 2011. The act authorizes over \$190 billion in increased outlays, some elements of which have been incorporated into the budget. These policy proposals would increase outlays for the “education, training, employment, and social services” function by \$35.6 billion in 2012 and \$31.7 billion in 2013. Specifically, the act authorizes funding for the following:

- Transfers to state and local governments would provide \$25.0 billion for the hiring and retention of teachers and \$30.0 billion to fund the renovation and repair of school buildings.
- The “Pathways Back to Work” fund would provide \$12.5 billion to finance programs that encourage employment and reforms to the unemployment insurance program.
- The Community College Initiative program would provide \$8.0 billion to help community colleges and local businesses work together to prepare students for jobs in their communities.
- The “Recognizing Educational Success, Professional Excellence, and Collaborative Teaching” program would provide \$5.0 billion to encourage improvements in the teaching profession through reforms to recruitment, training, and compensation.

Table 8. Sources of Change in NIPA Federal Government Current Receipts
[Billions of dollars]

	Change from preceding fiscal year		
	2011	2012	2013
Total receipts	150.6	152.2	462.8
Current tax receipts.....	190.8	156.5	302.4
Personal current taxes.....	171.4	130.7	185.6
Due to tax bases.....	171.4	144.9	120.7
Due to proposed legislation.....	0.0	-14.2	64.9
Taxes on production and imports.....	6.4	7.3	13.0
Due to tax bases.....	6.4	7.5	12.0
Due to proposed legislation.....	0.0	-0.2	1.0
Taxes on corporate income.....	11.4	17.2	103.9
Due to tax bases.....	11.4	66.8	66.4
Due to proposed legislation.....	0.0	-49.6	37.5
Taxes from the rest of the world.....	1.5	1.4	0.0
Contributions for government social insurance ...	-40.8	9.8	130.7
Due to tax bases.....	-40.8	73.3	94.4
Due to proposed legislation.....	0.0	-63.5	36.3
Income receipts on assets.....	3.7	-1.5	6.4
Current transfer receipts.....	2.8	-5.3	18.4
Current surplus of government enterprises.....	-5.9	-7.4	4.8
Addenda:			
Total due to tax bases.....	148.4	292.5	293.5
Total due to proposed legislation.....	0.0	-127.5	139.6

Sources: *Budget of the United States Government, Fiscal Year 2013* and the Bureau of Economic Analysis.
NIPA National income and product account

(chart 3 and table 9). The acceleration reflects an acceleration in current transfer payments. Within social benefits, Medicare benefits are projected to turn up in 2013, increasing \$53.1 billion after decreasing \$9.7 billion in 2012, whereas unemployment benefits are projected to decrease more in 2013 than in 2012. Grants to state and local governments, specifically Medicaid grants, are projected to turn up sharply in fiscal year 2013, increasing \$27.3 billion in 2013 after decreasing \$19.7 billion in 2012. Education grants are projected to turn down in 2013 as a result of the tapering off of education grants related to the American Recovery and Reinvestment Act of 2009.

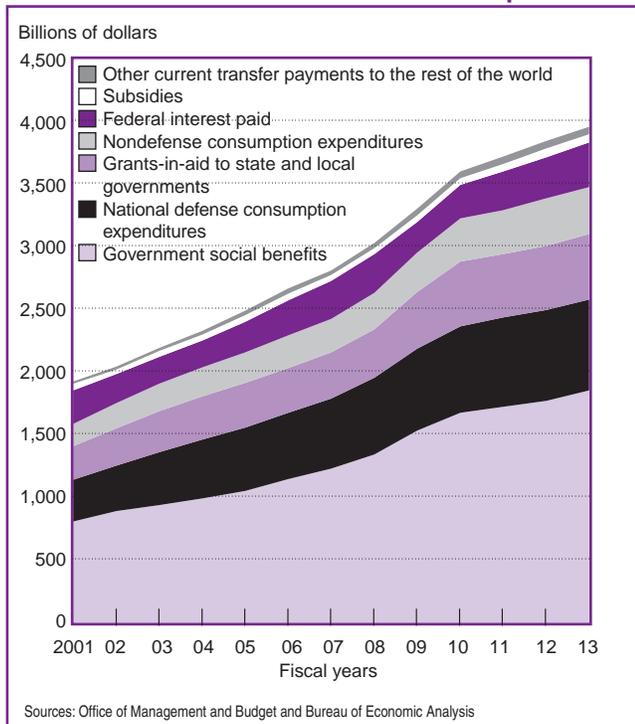
Quarterly pattern

BEA prepares seasonally adjusted quarterly NIPA estimates of federal government current receipts and current expenditures for 2012 and 2013 that are consistent with the federal budget and that reflect the quarterly patterns that would result from enacted and proposed legislation (table 10, pages 20 and 21). These estimates are extrapolated from published NIPA estimates for the fourth quarter of 2011, which were released on February 29, 2012.¹¹

Receipts. The quarterly NIPA estimates of current receipts are also based on the administration’s projected pattern of wages and reflect BEA’s methodol-

11. Because quarterly NIPA estimates have been extrapolated from published values, the average of fiscal year quarters may not equal the displayed fiscal year values, which are consistent with budget data.

Chart 3. Federal Government Current Expenditures



ogy for deriving quarterly estimates of withheld income tax payments and of “final settlements less refunds.”¹² Contributions for social insurance would increase sharply in the first quarter of 2013 as a result of the expiration of the reduction to social security contribution rates for employees and the self-employed.

12. For details about the methodology, see Eugene P. Seskin, “Annual Revision of the National Income and Product Accounts,” SURVEY OF CURRENT BUSINESS 78 (August 1998): 29–31.

Table 9. Sources of Change in NIPA Federal Government Current Expenditures

[Billions of dollars]

	Change from preceding fiscal year		
	2011	2012	2013
Total current expenditures	143.2	88.4	115.2
Consumption expenditures.....	29.1	52.1	-8.5
National defense.....	16.7	23.5	-1.7
Pay raise and locality pay ¹	0.0	1.4	2.1
Other.....	16.7	22.1	-3.8
Nondefense.....	12.4	28.6	-6.8
Pay raise and locality pay ²	0.0	0.0	0.3
Other.....	12.4	28.6	-7.2
Current transfer payments.....	60.0	18.9	97.8
Government social benefits to persons.....	63.8	17.7	85.2
Social security.....	23.4	47.2	46.6
Medicare.....	51.1	-9.7	53.1
Supplemental security income.....	2.1	3.1	3.9
Refundable tax credits.....	3.0	-16.7	1.3
Veterans benefits.....	7.5	-1.4	11.9
Unemployment benefits.....	-25.9	-9.8	-30.9
Supplemental Nutrition Assistance Program.....	7.2	6.7	-2.9
Other.....	-4.6	-1.7	2.1
Government social benefits to the rest of the world.....	1.6	0.7	1.0
Grants-in-aid to state and local governments.....	-2.6	-5.0	11.3
General public service.....	-0.2	1.3	0.9
National defense.....	0.0	0.1	0.0
Public order and safety.....	0.6	3.0	0.9
Economic affairs.....	3.0	5.5	4.1
Transportation.....	0.0	0.4	1.3
Space.....	-0.1	0.0	0.0
Other economic affairs.....	3.1	5.2	2.8
General economic and labor affairs.....	0.0	5.6	6.0
Agriculture.....	0.0	0.0	-0.3
Energy.....	3.1	-1.0	-2.9
Natural resources.....	0.1	0.5	-0.1
Housing and community services.....	-0.9	-1.8	1.4
Health.....	2.5	-19.7	26.9
Medicaid.....	3.0	-19.7	27.3
Prescription drug plan clawback.....	-2.0	-1.5	-0.7
Other.....	1.6	1.5	0.3
Recreation and culture.....	-0.1	0.0	0.0
Education.....	-6.1	7.0	-21.9
Income security.....	-1.6	-0.4	-0.9
Disability.....	0.2	-0.2	0.0
Welfare and social services.....	-1.3	-0.9	0.3
Unemployment.....	0.3	-2.3	-0.9
Other.....	-0.7	3.0	-0.2
Other current transfer payments paid to the rest of the world.....	-2.7	5.4	0.3
Federal interest paid.....	49.1	5.9	27.0
Subsidies.....	5.0	11.6	-1.0
Agriculture.....	-5.5	0.0	0.0
Housing.....	2.0	-0.7	1.5
Other.....	8.6	12.3	-2.5

1. Beginning in January 2012.
 2. Beginning in January 2013.
 Source: Bureau of Economic Analysis.
 NIPAs National income and product accounts

Expenditures. The quarterly NIPA estimates of current expenditures reflect fiscal year changes in program outlays and cost-of-living increases for social security and other programs in 2012 and 2013.

Net saving. NIPA estimates of net federal government saving reflect the differences between receipts and expenditures. Net saving is projected to continue to increase in fiscal years 2012 and 2013, reflecting larger increases in current receipts than in current expenditures.

In general, because of the limited information available to estimate quarterly patterns, the estimates in this article should be viewed as approximations that will be superseded by more reliable quarterly estimates that will be published monthly in NIPA table 3.2.

Translation into a NIPA Framework

BEA uses a detailed analytical process to translate federal budget receipts and outlays into a NIPA framework.

Receipts

Fiscal year budget data for receipts are supplemented by information on the effects of budget proposals from the Department of the Treasury's Office of Tax Analysis and information included in the budget's *Appendix*.¹³ These data are translated into the following major components of the NIPA federal government current receipts: current tax receipts, contributions for government social insurance, income receipts on assets, current transfer receipts, and current surplus of government enterprises. Quarterly projections are based on the economic assumptions from the federal budget.

13. See *Appendix: Budget of the United States Government, Fiscal Year 2013*.

Acknowledgments

The translation of fiscal year 2013 federal budget data into the framework of the national income and product accounts (NIPAs) was conducted under the general direction of Pamela A. Kelly, Chief of the Government Division, and Benjamin A. Mandel, Chief of the Federal Branch of the Government Division. The following economists contributed to the preparation of the NIPA federal government statistics presented in this article: Peter G. Beall, Stan J. Bellotti, Andrew P. Cairns, Andrea L. Cook, Raymen G. Labella, Mark S. Ludwick, Ann W. Miller, Kyle D. Mulgrew, Farah Naz, Michael D. Randall, Michelle D. Robinson, Mary L. Roy, Benyam M. Tsehaye, Andrew E. Vargo, Bryan A. Williams, and Keith P. Zipay.

When monthly and quarterly NIPA estimates are released by BEA, these initial quarterly projections of receipts are reevaluated and revised to incorporate newly available data from the Department of the Treasury, including from the *Monthly Treasury Statement*.¹⁴

Outlays

Fiscal year budget outlays are organized by appropriation in the federal budget's *Appendix*. These data and supplemental data from the Office of Management and Budget are used to allocate federal budget outlays to the following NIPA categories: current transfer payments, interest payments, subsidies, and consumption expenditures and gross investment.¹⁵ The quarterly projections are mainly derived by interpolation from fiscal year projections.

When BEA releases its quarterly NIPA estimates, the fiscal year relationships derived from the budget data are used to allocate the spending that is detailed in the *Monthly Treasury Statement*. Supplemental data are also used. A detailed reconciliation of defense consumption expenditures and gross investment with outlays is prepared, using extensive financial, delivery, and other information from the Department of Defense. In order to prepare seasonally adjusted estimates of non-defense consumption expenditures and gross investment, data from the budget are used to extrapolate portions of nondefense expenditures (for durable goods, "other nondurable goods," services, and equipment) for which there are no quarterly source data. These extrapolated estimates of expenditures incorporate quarterly data for certain expenditures, such as those for construction from the Census Bureau and for compensation from the Office of Personnel Management and the Bureau of Labor Statistics.

Updated estimates

BEA's initial quarterly projections of federal government receipts and expenditures that are presented in this article will likely differ from later estimates. The initial estimates are prepared from budget data, which are based on various economic assumptions about the budget year. These estimates are then updated during the year as new laws are enacted, as actual spending occurs, as economic conditions change, and as more source data become available.

14. Department of the Treasury, Financial Management Service, *Monthly Treasury Statement* (Washington, DC: U.S. Government Printing Office); www.fms.treas.gov/mts.

15. Outlays by program are first adjusted for coverage (for example, for the treatment of federal employee retirement plan transactions) and for netting and grossing (for example, supplemental medical insurance premiums).

Table 10. NIPA Federal Government Current

[Billions of dollars; calendar year and

	Fiscal year estimates ¹			Calendar year		Quarter										
				Published ²	Estimated	Published ²				Estimated						
	2011	2012	2013			2011		2012				2013				
				2011	2012	I	II	III	IV	I	II	III	IV	I	II	III
Current receipts	2,516.4	2,668.5	3,131.3	2,574.8	2,787.8	2,527.9	2,554.1	2,583.5	2,633.8	2,712.1	2,745.7	2,803.6	2,889.8	3,170.9	3,225.0	3,270.8
Current tax receipts	1,473.6	1,630.1	1,932.5	1,544.6	1,710.9	1,513.3	1,532.7	1,547.1	1,585.2	1,650.0	1,679.1	1,729.3	1,785.2	1,924.3	1,967.8	2,002.4
Personal current taxes	1,032.2	1,162.9	1,348.4	1,074.7	1,173.6	1,046.8	1,065.4	1,083.3	1,103.2	1,147.4	1,152.7	1,181.0	1,213.3	1,333.9	1,364.7	1,391.2
Withheld income taxes	951.4	1,048.0	1,152.7	991.7	1,062.4	971.0	985.0	998.1	1,012.7	1,028.4	1,048.5	1,072.4	1,100.3	1,152.0	1,179.0	1,201.1
Proposed legislation	0.0	0.0	8.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	11.1	11.1	11.1
Other	951.4	1,048.0	1,144.4	991.7	1,062.4	971.0	985.0	998.1	1,012.7	1,028.4	1,048.5	1,072.4	1,100.3	1,140.8	1,167.9	1,190.0
Declarations and final settlements less refunds	80.8	114.9	195.7	83.0	111.2	75.8	80.4	85.2	119.0	104.2	108.5	113.0	113.0	181.9	185.7	190.1
Proposed legislation	0.0	-14.2	42.4	0.0	-14.2	0.0	0.0	0.0	0.0	-18.9	-18.9	-18.9	-18.9	42.4	42.4	42.4
Other	80.8	129.1	153.3	83.0	125.3	75.8	80.4	85.2	90.6	119.0	123.1	127.4	131.9	139.5	143.3	147.7
Taxes on production and imports	106.6	113.9	126.9	110.8	118.8	106.7	112.0	112.3	112.3	113.5	117.4	120.2	124.0	127.1	130.3	132.2
Proposed legislation	0.0	-0.2	0.8	0.0	0.0	0.0	0.0	0.0	0.0	-0.2	-0.2	-0.2	0.8	0.8	0.8	0.8
Other	106.6	114.1	126.1	110.8	118.7	106.7	112.0	112.3	112.3	113.7	117.6	120.4	123.2	126.3	129.5	132.4
Taxes on corporate income ³	319.8	337.0	440.9	343.3	402.2	345.4	340.0	334.5	353.4	372.9	392.6	411.8	431.6	447.1	456.5	461.7
Federal Reserve Banks	82.7	81.8	80.9	78.7	70.0	91.3	84.4	69.8	69.4	69.3	69.3	69.5	71.8	70.4	67.8	64.1
Proposed legislation	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1
Other	82.7	81.8	80.8	78.7	69.9	91.3	84.4	69.8	69.4	69.3	69.3	69.5	71.7	70.3	67.8	64.0
Other corporate profit tax accruals	237.1	255.2	360.0	264.6	332.3	254.1	255.6	264.7	283.9	303.6	323.3	342.3	359.8	376.7	388.6	397.6
Proposed legislation	0.0	-49.6	-12.2	0.0	-74.4	0.0	0.0	0.0	0.0	-99.2	-99.2	-99.2	-99.2	16.8	16.8	16.8
Other	237.1	304.8	372.2	264.6	406.7	254.1	255.6	264.7	283.9	303.6	323.3	342.3	359.8	376.7	388.6	397.6
Taxes from the rest of the world	14.9	16.3	16.3	15.7	16.3	14.3	15.3	17.0	16.3	16.3	16.3	16.3	16.3	16.3	16.3	16.3
Contributions for social insurance	924.8	934.6	1,065.3	909.3	954.8	894.6	900.3	915.1	927.3	943.0	950.3	959.0	966.7	1,103.9	1,109.9	1,115.8
Domestic	919.7	929.6	1,059.6	904.9	950.0	890.2	895.9	910.6	922.7	938.5	945.7	954.2	961.6	1,098.6	1,104.5	1,110.3
Old age, survivors, disability, and hospital insurance	786.2	795.1	915.0	774.6	818.4	760.7	766.1	780.1	791.7	807.7	814.5	822.4	828.8	954.6	959.8	965.3
Tax on wages and salaries (FICA, gross)	738.9	744.7	858.4	726.9	770.9	713.9	718.7	732.0	743.0	760.9	767.5	774.8	780.6	901.8	906.4	911.4
Proposed legislation	0.0	-63.5	-27.2	0.0	-90.3	0.0	0.0	0.0	0.0	-36.1	-108.4	-108.4	-108.4	0.0	0.0	0.0
Rate Change	0.0	63.5	111.3	0.0	90.3	0.0	0.0	0.0	0.0	36.1	108.4	108.4	108.4	112.1	112.1	112.1
Base increases	0.0	0.9	4.6	0.0	3.5	0.0	0.0	0.0	0.0	3.5	3.5	3.5	3.5	7.6	7.6	7.6
January 2012	0.0	0.9	3.5	0.0	3.5	0.0	0.0	0.0	0.0	3.5	3.5	3.5	3.5	3.5	3.5	3.5
January 2013	0.0	0.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	4.1	4.1	4.1
Other	738.9	743.8	769.8	726.9	767.4	713.9	718.7	732.0	743.0	757.4	763.9	771.3	777.0	782.1	786.7	791.7
FICA Refunds	-2.1	-1.7	-2.6	-2.1	-1.6	-2.1	-2.1	-2.1	-2.1	-1.6	-1.6	-1.6	-1.6	-2.6	-2.6	-2.6
Voluntary hospital insurance	3.3	3.4	3.6	3.4	3.5	3.4	3.4	3.4	3.4	3.4	3.5	3.5	3.5	3.6	3.6	3.6
Tax on self-employment earnings (SECA)	46.2	48.6	55.6	46.4	45.5	45.5	46.1	46.7	47.3	45.0	45.2	45.6	46.3	51.7	52.4	52.9
Base increases	-3.5	-2.3	2.2	-1.8	-2.3	-1.8	-1.8	-1.8	-1.8	-2.3	-2.3	-2.3	-2.3	2.2	2.2	2.2
Other	49.7	50.8	53.4	48.2	47.8	47.3	47.9	48.5	49.1	47.3	47.4	47.9	48.6	49.6	50.3	50.8
Supplementary medical insurance	59.2	61.0	68.7	59.6	61.4	59.3	59.5	59.8	60.0	60.8	61.2	61.7	62.1	70.6	70.8	70.9
Unemployment insurance	60.3	58.7	59.7	56.7	55.3	56.7	56.5	56.8	56.9	55.6	55.3	55.2	55.2	57.6	57.7	57.8
Other	14.1	14.7	16.1	13.9	14.8	13.5	13.8	14.0	14.1	14.3	14.6	15.0	15.5	15.9	16.1	16.2
Rest of the world	5.1	5.1	5.7	4.5	4.8	4.4	4.4	4.5	4.6	4.6	4.7	4.8	5.1	5.3	5.4	5.5
Income receipts on assets	56.0	54.5	60.9	55.4	58.7	54.6	54.9	55.5	56.5	56.2	57.4	59.4	61.9	63.7	64.9	65.4
Interest receipts	31.1	27.6	30.8	30.4	30.9	29.7	30.6	30.2	31.0	30.1	30.0	30.9	32.7	33.8	34.3	34.0
Dividends	18.5	20.0	23.1	18.5	20.7	18.5	18.0	18.7	18.9	19.3	20.3	21.3	22.0	22.7	23.5	24.2
Rents and royalties	6.4	6.9	7.0	6.5	7.1	6.4	6.3	6.5	6.6	6.9	7.1	7.2	7.2	7.2	7.1	
Current transfer receipts	72.8	67.5	85.9	67.4	66.8	68.1	67.4	66.9	67.2	64.9	61.8	60.0	80.3	81.4	82.6	83.8
From business	53.0	46.9	66.9	47.5	47.8	47.8	47.5	47.3	47.3	44.9	42.0	40.4	61.1	62.7	64.6	66.6
From persons	19.9	20.6	19.0	19.9	19.6	20.3	19.9	19.6	19.9	19.9	19.8	19.6	19.2	18.7	18.0	17.2
Current surplus of government enterprises	-10.8	-18.2	-13.4	-1.8	-3.4	-2.7	-1.2	-1.1	-2.4	-2.0	-3.0	-4.1	-4.3	-2.5	-0.1	3.4
Postal Service	-9.6	-7.8	-10.9	-5.4	-4.1	-5.9	-5.1	-5.5	-4.9	-2.6	-3.0	-4.5	-6.3	-7.3	-7.1	-5.2
Federal Housing Administration	-3.5	-15.9	-4.8	1.1	-2.9	1.1	1.6	2.2	-0.5	-3.0	-4.0	-3.3	-1.0	2.9	5.8	7.9
Tennessee Valley Authority	0.9	1.3	0.2	1.0	1.0	1.1	1.0	0.9	1.0	1.1	1.1	1.0	0.7	0.4	0.2	0.1
Other	1.4	4.2	2.0	1.4	2.6	1.1	1.3	1.3	1.9	2.6	2.9	2.8	2.3	1.5	1.0	0.6
Current expenditures	3,802.0	3,890.5	4,005.7	3,752.9	3,837.9	3,729.0	3,829.5	3,744.2	3,709.0	3,776.0	3,825.3	3,871.0	3,879.2	3,917.6	3,906.2	3,906.2
Consumption expenditures	1,069.2	1,121.2	1,112.7	1,072.6	1,143.7	1,059.1	1,077.5	1,084.9	1,068.8	1,105.1	1,152.1	1,168.1	1,149.4	1,124.3	1,102.9	1,074.3
National defense	710.3	733.8	732.1	717.2	746.9	701.0	723.4	733.2	711.1	729.1	745.3	758.6	754.5	743.6	728.1	702.2
Pay raises and locality pay	0.0	1.4	3.5	0.0	1.8	0.0	0.0	0.0	0.0	1.8	1.8	1.8	1.8	4.0	4.0	4.0
January 2012	0.0	1.4	1.8	0.0	1.8	0.0	0.0	0.0	0.0	1.8	1.8	1.8	1.8	1.8	1.8	1.8
January 2013	0.0	0.0	1.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.2	2.2	2.2
Other	710.3	732.4	728.6	717.2	745.1	701.0	723.4	733.2	711.1	727.3	743.5	756.8	752.7	739.6	724.1	698.2
Nondefense	358.9	387.5	380.6	355.4	396.8	358.1	354.1	351.7	357.7	376.0	406.8	409.4	395.0	380.7	374.8	372.1
Pay raises and locality pay	0.0	0.0	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.5	0.5
January 2012	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
January 2013	0.0	0.0	0.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5	0.5	0.5
Other	358.9	387.5	380.3	355.4	396.8	358.1	354.1	351.7	357.7	376.0	406.8	409.4	395.0	380.2	374.3	371.7
Current transfer payments	2,348.8	2,367.7	2,465.5	2,305.6	2,320.2	2,312.7	2,346.9	2,289.0	2,274.0	2,304.2	2,303.2	2,327.1	2,346.4	2,402.5	2,405.4	2,427.2
Government social benefits	1,779.6	1,798.0	1,884.1													

Receipts and Expenditures

quarters at seasonally adjusted annual rates]

	Fiscal year estimates ¹			Calendar year		Quarter										
				Published ²	Estimated	Published ²				Estimated						
	2011	2012	2013			2011	2012	2011				2012				2013
				I	II			III	IV	I	II	III	IV	I	II	III
Regular.....	707.5	734.9	763.6	713.5	743.1	703.1	712.2	716.3	722.3	730.5	738.8	747.2	755.8	762.3	766.6	768.8
Benefit increases.....	0.0	19.8	37.7	0.0	26.5	0.0	0.0	0.0	0.0	26.5	26.5	26.5	26.5	41.5	41.5	41.5
January 2012.....	0.0	19.8	26.5	0.0	26.5	0.0	0.0	0.0	0.0	26.5	26.5	26.5	26.5	26.5	26.5	26.5
January 2013.....	0.0	0.0	11.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	15.0	15.0	15.0
Medicare.....	563.9	554.1	607.2	553.7	571.4	547.8	553.9	557.8	555.3	554.3	560.8	574.6	595.8	611.7	622.3	627.6
Unemployment benefits.....	117.4	107.6	76.7	107.3	85.0	117.5	108.8	103.0	100.1	96.5	90.5	82.0	71.0	62.8	57.6	54.5
Veterans benefits.....	64.3	62.9	74.7	63.3	68.1	61.3	62.8	65.0	64.2	64.2	65.8	68.9	73.6	77.1	79.4	80.6
Railroad retirement.....	11.0	11.6	12.0	11.0	11.4	10.9	10.9	11.0	11.0	11.2	11.3	11.5	11.5	11.6	11.7	11.7
Military medical insurance.....	10.8	11.6	12.3	11.5	12.5	10.8	11.4	11.7	11.9	12.2	12.4	12.6	12.8	12.9	13.0	13.0
Food stamps.....	71.8	78.4	75.6	72.7	75.9	70.7	72.2	73.7	74.4	76.1	76.7	76.1	74.5	73.2	72.4	72.0
Black lung benefits.....	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.3	0.3
Supplemental security income.....	46.0	49.1	53.0	45.6	49.0	44.7	45.2	45.9	46.4	47.3	48.4	49.5	50.7	51.6	52.2	52.5
Refundable tax credits.....	99.2	82.5	83.8	87.5	70.8	87.5	87.5	87.5	87.5	70.8	70.8	70.8	70.8	72.1	72.1	72.1
All other.....	69.2	66.2	67.3	72.3	73.2	70.4	72.2	73.3	73.5	72.7	72.4	73.6	74.1	74.3	74.4	73.2
To rest of the world.....	18.1	18.9	19.8	16.8	17.3	16.4	16.8	17.1	16.8	16.7	17.0	17.7	17.8	17.7	18.0	18.6
Grants-in-aid to state and local governments.....	517.5	512.5	523.8	492.5	458.6	514.5	527.7	470.6	457.1	458.1	458.7	458.9	458.8	463.0	471.7	484.7
General public service.....	2.1	3.4	4.3	2.4	3.6	2.3	2.3	2.4	2.7	3.1	3.5	3.8	4.0	4.2	4.3	4.4
National defense.....	4.1	4.2	4.2	4.0	3.8	3.8	4.0	4.3	3.8	3.9	3.9	3.9	3.8	3.8	3.8	3.8
Public order and safety.....	7.0	10.0	10.8	6.7	9.3	5.1	7.0	7.0	7.7	8.6	9.2	9.6	9.6	9.7	9.7	9.7
Economic affairs.....	18.3	23.8	27.9	18.0	20.6	17.5	19.4	18.3	17.0	18.7	20.1	21.4	22.4	23.2	23.7	24.0
Transportation ⁴	0.1	0.5	1.8	0.1	0.7	0.1	0.1	0.1	0.1	0.2	0.5	0.8	1.3	1.6	1.8	2.0
Space.....	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Other economic affairs.....	18.0	23.2	26.0	17.8	19.9	17.2	19.2	18.1	16.8	18.3	19.6	20.5	21.1	21.5	21.8	22.0
General economic and labor affairs.....	5.9	11.6	17.6	5.5	9.5	5.9	5.3	5.7	5.0	6.8	8.6	10.3	12.1	13.5	14.4	14.8
Agriculture.....	1.5	1.5	1.2	1.5	1.6	1.3	1.4	1.5	1.7	1.7	1.7	1.6	1.5	1.4	1.4	1.4
Energy.....	6.1	5.1	2.2	6.6	4.8	6.4	7.4	6.6	6.1	5.9	5.4	4.6	3.5	2.7	2.1	1.9
Natural resources.....	4.6	5.0	5.0	4.2	4.0	3.6	5.1	4.2	3.9	4.0	4.0	4.0	4.0	3.9	3.9	3.9
Housing and community services.....	21.7	19.9	21.3	23.0	21.3	24.2	23.9	22.6	21.3	21.0	21.0	21.3	22.0	22.5	22.8	23.0
Health.....	300.5	280.9	307.8	284.1	262.2	304.6	304.2	264.6	262.9	258.6	258.4	262.1	269.8	279.9	292.5	307.5
Medicaid.....	274.4	254.7	282.1	259.2	240.5	279.0	277.7	239.1	241.1	236.8	236.5	240.3	248.2	258.5	271.2	286.2
Prescription drug plan clawback.....	-6.5	-8.0	-8.8	-7.1	-8.7	-6.5	-6.3	-7.6	-8.1	-8.4	-8.6	-8.8	-9.1	-9.2	-9.3	-9.4
Other.....	32.7	34.2	34.5	32.0	30.5	32.1	32.8	33.0	29.8	30.2	30.5	30.6	30.6	30.6	30.6	30.6
Recreation and culture.....	0.5	0.5	0.5	0.6	0.7	0.6	0.5	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Education.....	66.8	73.8	51.9	64.3	49.2	68.3	76.8	58.6	53.6	55.6	53.8	48.3	39.0	32.1	27.4	25.1
Income security.....	96.5	96.1	95.2	89.3	87.8	88.0	89.7	92.2	87.5	88.0	88.1	87.9	87.4	87.0	86.8	86.7
Disability.....	2.7	2.6	2.5	2.6	2.3	2.6	2.7	2.8	2.4	2.4	2.3	2.3	2.3	2.3	2.3	2.3
Welfare and social services.....	83.0	82.1	82.4	76.1	75.4	75.7	76.6	77.1	75.0	75.2	75.4	75.5	75.6	75.6	75.6	75.7
Unemployment.....	5.6	3.3	2.3	4.6	1.7	5.2	5.2	5.2	2.9	2.3	1.8	1.5	1.3	1.2	1.1	1.1
Other.....	5.2	8.2	7.9	6.0	8.4	4.5	5.1	7.0	7.2	8.1	8.6	8.6	8.2	7.9	7.7	7.6
Other current transfer payments paid to the rest of the world.....	51.8	57.3	57.6	57.6	57.3	56.8	64.9	55.8	53.0	66.8	52.9	57.0	52.4	70.3	52.1	56.1
Federal interest paid.....	323.9	329.8	356.8	312.4	309.3	298.0	342.8	306.6	302.3	302.0	304.8	310.7	319.7	328.2	336.2	343.7
Subsidies.....	60.1	71.7	70.7	62.3	64.7	59.2	62.2	63.8	63.9	64.7	65.2	65.1	63.7	62.6	61.7	61.0
Agricultural.....	11.0	11.0	11.0	10.5	10.4	11.1	10.4	10.1	10.3	10.4	10.5	10.5	10.4	10.4	10.4	10.4
Housing.....	34.3	33.6	35.1	34.5	33.9	32.9	33.9	35.7	35.6	34.1	33.2	33.5	35.0	35.5	35.8	36.0
Other.....	14.8	27.1	24.6	17.3	20.3	15.1	17.9	18.0	18.0	20.2	21.6	21.1	18.3	16.7	15.5	14.6
Less: Wage accruals less disbursements.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net federal government saving.....	-1,285.7	-1,221.9	-874.4	-1,178.1	-1,050.1	-1,201.1	-1,275.4	-1,160.7	-1,075.2	-1,063.9	-1,079.7	-1,067.4	-989.3	-746.7	-681.2	-635.4
Addenda:																
Gross investment ⁵	161.0	158.7	156.3	160.3	159.2	160.9	159.6	164.0	156.6	156.6	158.3	163.1	158.8	157.3	155.7	153.2
National defense.....	111.8	107.5	103.1	107.8	107.8	108.0	107.3	110.9	104.9	106.3	107.4	111.5	106.0	104.1	102.3	99.9
Nondefense.....	49.2	51.1	53.2	52.5	51.4	52.8	52.4	53.1	51.8	50.3	50.9	51.6	52.8	53.2	53.4	53.3
Consumption expenditures and gross investment.....	1,230.2	1,279.9	1,269.0	1,232.8	1,302.9	1,219.9	1,237.1	1,248.9	1,225.4	1,261.7	1,310.4	1,331.2	1,308.2	1,281.6	1,258.5	1,227.5
National defense.....	822.1	841.3	835.2	824.8	854.7	809.0	830.6	844.0	815.5	835.4	852.7	870.2	860.5	847.7	830.4	802.1
Nondefense.....	408.1	438.6	433.8	408.1	448.2	410.9	406.5	404.9	409.9	426.3	457.7	461.0	447.7	433.9	428.2	425.4
Total receipts.....	2,523.1	2,679.3	3,143.4	2,579.9	2,801.1	2,529.4	2,559.7	2,585.0	2,645.6	2,725.0	2,759.3	2,817.7	2,902.4	3,184.4	3,239.9	3,287.6
Current receipts.....	2,516.4	2,668.5	3,131.3	2,574.8	2,787.8	2,527.9	2,554.1	2,583.5	2,633.8	2,712.1	2,745.7	2,803.6	2,889.8	3,170.9	3,225.0	3,270.8
Capital transfer receipts.....	6.8	10.7	12.1	5.1	13.3	1.5	5.7	1.5	11.8	12.9	13.7	14.1	12.6	13.5	14.9	16.9
Total expenditures.....	3,962.0	4,069.6	4,152.5	3,926.6	4,021.2	3,882.2	4,009.1	3,919.7	3,895.4	3,953.0	4,020.3	4,069.1	4,042.2	4,074.8	4,061.5	4,058.1
Current expenditures.....	3,802.0	3,890.5	4,005.7	3,752.9	3,837.9	3,729.0	3,829.5	3,744.2	3,709.0	3,776.0	3,825.3	3,871.0	3,879.2	3,917.6	3,906.2	3,906.2
Gross government investment.....	161.0	158.7	156.3	160.3	159.2	160.9	159.6	164.0	156.6	156.6	158.3	163.1	158.8	157.3	155.7	153.2
Capital transfer payments.....	134.9	164.1	139.9	151.4	169.4	126.7	157.0	151.3	170.5	163.6	181.3	181.1	151.7	148.7	149.6	149.7
Net purchases of nonproduced assets.....	-0.2	-1.2	-1.4	-0.1	-1.6	0.3	-0.2	-0.6	0.2	-1.7	-1.7	-1.7	-1.4	-1.4	-1.4	-1.4
Less: Consumption of fixed capital.....	135.7	142.5	147.9	137.9	143.7	134.6	136.8	139.2	141.0	141.5	142.9	144.4	146.0	147.3	148.5	149.6
Net lending or net borrowing (-).....	-1,438.8	-1,390.3	-1,009.1	-1,346.7	-1,220.0	-1,352.8	-1,449.4	-1,334.7	-1,249.8	-1,228.0	-1,261.0	-1,251.4	-1,139.7	-890.4	-821.5	-770.4

NOTE: The fiscal year and quarterly estimates of NIPA receipts and expenditures differ from the fiscal year and quarterly estimates in *Analytical Perspectives: Budget of the United States Government, Fiscal Year 2013* because additional data were incorporated after the budget was released.

FICA Federal Insurance Contributions