Government Receipts and Expenditures

Second Quarter of 2013

NET GOVERNMENT saving, the difference between current receipts and current expenditures of the federal government and state and local governments, was –$855.0 billion in the second quarter of 2013, increasing $227.9 billion from –$1,082.9 billion in the first quarter of 2013.

Net federal government saving was –$656.4 billion in the second quarter, increasing $196.7 billion from –$853.1 billion in the first quarter (see page 12). Current receipts accelerated, and current expenditures turned up in the second quarter.

Net state and local government saving was –$198.7 billion in the second quarter, increasing $31.1 billion from –$229.8 billion in the first quarter (see page 13). Current receipts accelerated, and current expenditures decreased less in the second quarter than in the first quarter.

"Net lending or net borrowing (–)" is an alternative measure of the government fiscal position. Net borrowing is the financing requirement of the government sector, and it is derived as net government saving plus the consumption of fixed capital and net capital transfers received less gross investment and net purchases of nonproduced assets.

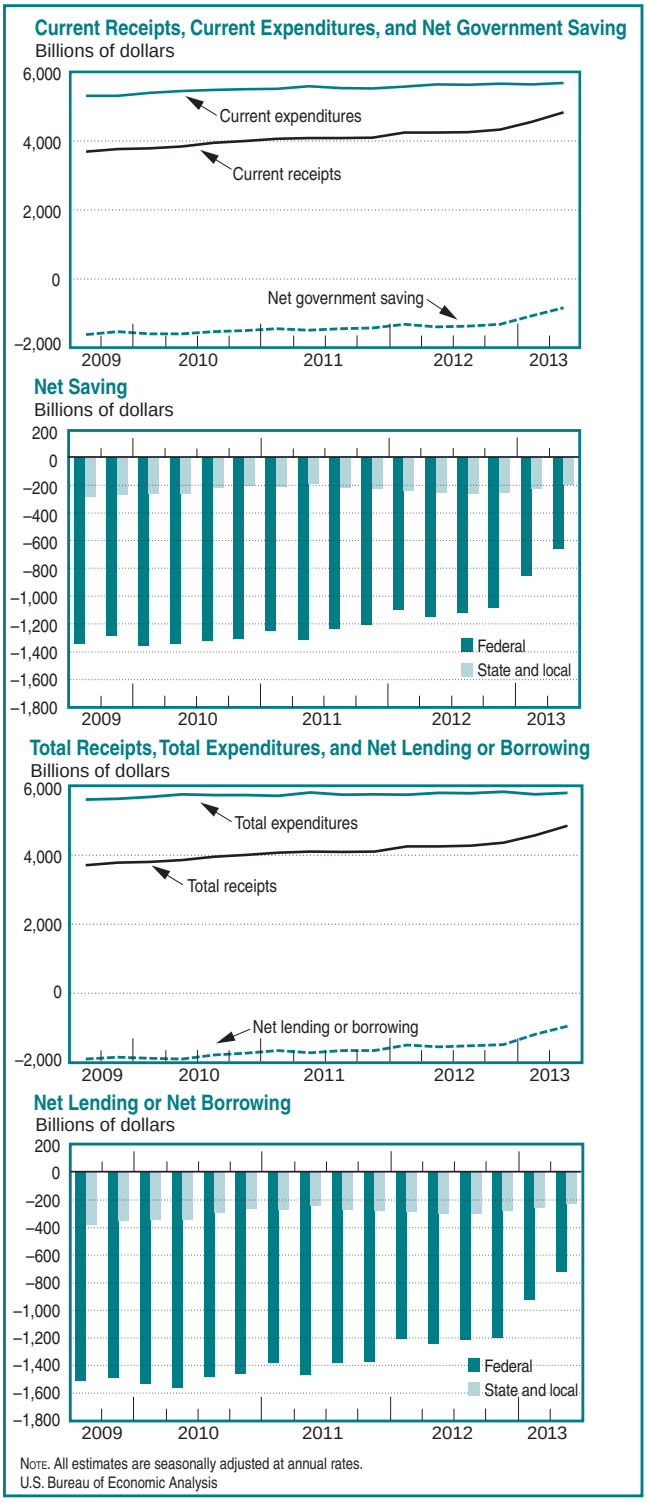
Net borrowing was $950.3 billion in the second quarter, decreasing $234.6 billion from $1,184.9 billion in the first quarter. Federal government net borrowing was $723.9 billion in the second quarter, decreasing $201.5 billion from $925.4 billion in the first quarter. State and local government net borrowing was $226.4 billion, decreasing $33.2 billion from $259.6 billion in the first quarter.

Table 1. Net Government Saving and Net Lending or Net Borrowing

[Billions of dollars, seasonally adjusted at annual rates]

	Level	Change from preceding quarter			
	2013	2012		2013	
	II	III	IV	I	II
Current receipts	4,826.3	14.1	71.8	227.0	279.0
Current expenditures	5,681.3	–8.6	25.1	–22.9	51.2
Net government saving	**–855.0**	**22.7**	**46.7**	**249.8**	**227.9**
Federal	–656.4	27.6	40.8	225.4	196.7
State and local	–198.7	–4.9	5.9	24.4	31.1
Net lending or net borrowing (–)	**–950.3**	**29.9**	**34.8**	**294.6**	**234.6**
Federal	–723.9	27.5	16.7	272.9	201.5
State and local	–226.4	2.4	18.1	21.6	33.2

Chart 1. Government Fiscal Position



NOTE. All estimates are seasonally adjusted at annual rates.
U.S. Bureau of Economic Analysis

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Federal Government

Table 2. Federal Government Current Receipts and Expenditures

[Billions of dollars, seasonally adjusted at annual rates]

	Level	Change from preceding quarter			
	2013	2012		2013	
	II	III	IV	I	II
Current receipts	**3,164.0**	**15.5**	**52.4**	**191.1**	**263.9**
Current tax receipts	1,742.6	24.6	41.2	31.2	31.6
Personal current taxes	1,271.7	14.1	46.8	58.0	19.7
Taxes on production and imports	118.8	–0.4	–0.2	0.8	0.0
Taxes on corporate income	332.7	11.2	–8.2	–26.9	11.7
Taxes from the rest of the world	19.4	–0.3	2.8	–0.7	0.2
Contributions for government social insurance	1,088.2	2.5	20.7	126.4	6.5
Income receipts on assets	299.9	0.0	1.1	20.8	225.8
Current transfer receipts	57.1	–9.0	–7.2	15.5	3.2
Current surplus of government enterprises	–23.7	–2.6	–3.4	–2.8	–3.1
Current expenditures	**3,820.3**	**–12.1**	**11.7**	**–34.3**	**67.1**
Consumption expenditures	975.9	28.7	–42.2	–11.6	–6.4
National defense	615.7	25.4	–44.4	–10.9	–4.0
Nondefense	360.2	3.2	2.2	–0.7	–2.4
Current transfer payments	2,347.6	19.8	8.6	25.5	20.4
Government social benefits	1,850.0	12.2	19.2	35.8	1.9
To persons	1,831.5	12.1	19.2	35.5	1.8
To the rest of the world	18.5	0.2	0.0	0.3	0.1
Other current transfer payments	497.7	7.6	–10.7	–10.1	18.5
Grants-in-aid to state and local governments	445.7	7.0	0.7	–16.9	14.2
To the rest of the world	51.9	0.7	–11.4	6.7	4.3
Interest payments	438.4	–59.0	43.6	–48.6	52.3
Subsidies	58.4	–1.6	1.7	0.2	0.9
Net federal government saving	**–656.4**	**27.6**	**40.8**	**225.4**	**196.7**
Social insurance funds	–309.4	–7.5	5.1	–21.3	6.5
Other	–346.9	35.1	35.6	246.9	190.2
Addenda:					
Total receipts	3,181.8	16.8	53.9	192.6	264.1
Current receipts	3,164.0	15.5	52.4	191.1	263.9
Capital transfer receipts	17.8	1.4	1.4	1.5	0.2
Total expenditures	3,905.7	–10.7	37.2	–80.3	62.6
Current expenditures	3,820.3	–12.1	11.7	–34.3	67.1
Gross government investment	276.8	–0.4	–4.6	–8.7	4.1
Capital transfer payments	76.2	3.0	30.9	–36.2	–7.2
Net purchases of nonproduced assets	–0.8	–0.1	0.0	0.8	–0.2
Less: Consumption of fixed capital	266.9	1.0	0.8	1.9	1.3
Net lending or net borrowing (–)	–723.9	27.5	16.7	272.9	201.5

Personal current taxes decelerated, reflecting a deceleration in nonwithheld income taxes.

Taxes on corporate income turned up in the second quarter, reflecting an upturn in corporate profits.

Contributions for government social insurance decelerated because of a deceleration in social security contributions. First-quarter social security contributions had been boosted by the expiration of the "Payroll Tax Holiday" at the end of 2012.

Income receipts on assets accelerated in the second quarter because of an acceleration in dividend payments from Fannie Mae.

Government social benefits to persons decelerated in the second quarter as a result of a deceleration in social security following the first-quarter cost-of-living adjustment. Medicare benefits turned down, and unemployment benefits decreased more than in the first quarter.

Interest payments turned up because of an upturn in inflation expense payments on Treasury Inflation-Protected Securities.

Capital transfer payments decreased less than in the first quarter, when disaster-related flood insurance payments had turned down following large fourth-quarter payments for damages due to Superstorm Sandy.

Federal Government Estimates

Estimates of federal government current receipts, current expenditures, and net federal government saving are based on data from the federal budget, from the *Monthly Treasury Statement* and other reports from the Department of the Treasury, and from other federal government agencies. Total receipts, total expenditures, and net lending or net borrowing, which are alternative measures of the federal fiscal position, are based on these same sources.

Quarterly and annual estimates are published monthly in NIPA table 3.2. Detailed annual estimates of these transactions by component are published annually in NIPA tables 3.4–3.8, 3.12, and 3.13. Detailed quarterly estimates are available at www.bea.gov; under "National" and Supplemental Estimates," see "Underlying Detail Tables."

Each year, BEA translates the information in the federal budget into a NIPA framework.[1] For a historical time series of these estimates, see NIPA table 3.18B, which was published in the October 2012 Survey.

1. See Mark S. Ludwick and Kyle Mulgrew, "NIPA Translation of the Fiscal Year 2013 Federal Budget," Survey of Current Business 92 (May 2013): 11–21.

State and Local Government

Table 3. State and Local Government Current Receipts and Expenditures

[Billions of dollars, seasonally adjusted at annual rates]

	Level	Change from preceding quarter			
	2013	2012		2013	
	II	III	IV	I	II
Current receipts	**2,108.1**	**5.5**	**20.1**	**19.0**	**29.4**
Current tax receipts	1,466.4	–2.2	17.5	35.0	13.0
Personal current taxes	393.1	2.3	9.6	18.3	16.0
Taxes on production and imports	1,020.4	–3.1	7.7	13.6	–1.5
Taxes on corporate income	52.9	–1.4	0.2	3.2	–1.6
Contributions for government social insurance	17.4	–0.2	–0.1	0.0	0.1
Income receipts on assets	81.1	0.3	0.9	0.9	0.9
Current transfer receipts	558.4	7.4	1.7	–16.0	15.7
Federal grants-in-aid	445.7	7.0	0.7	–16.9	14.2
Other	112.7	0.5	0.9	0.9	1.5
Current surplus of government enterprises	–15.2	0.2	0.1	–0.9	–0.3
Current expenditures	**2,306.7**	**10.4**	**14.2**	**–5.4**	**–1.8**
Consumption expenditures	1,542.2	5.5	7.5	–1.3	–0.8
Government social benefits	553.5	1.3	4.9	–1.4	1.2
Interest payments	210.5	3.8	1.8	–2.8	–2.2
Subsidies	0.5	0.0	0.0	0.0	0.0
Net state and local government saving	**–198.7**	**–4.9**	**5.9**	**24.4**	**31.1**
Social insurance funds	4.5	0.0	0.0	0.3	0.3
Other	–203.2	–4.9	5.8	24.2	30.8
Addenda:					
Total receipts	2,176.4	6.7	27.4	9.7	26.5
Current receipts	2,108.1	5.5	20.1	19.0	29.4
Capital transfer receipts	68.4	1.2	7.3	–9.2	–2.9
Total expenditures	2,402.8	4.3	9.3	–11.9	–6.7
Current expenditures	2,306.7	10.4	14.2	–5.4	–1.8
Gross government investment	323.1	–4.4	–3.4	–5.1	–3.0
Capital transfer payments	.....	.....	.....	.....	.....

Taxes on production and imports turned down as a result of a downturn in sales taxes; first-quarter sales taxes were boosted by a rate increase in California.

Federal grants-in-aid turned up in the second quarter because of upturns in grants for education, economic affairs, and Medicaid.

Consumption expenditures decreased less in the second quarter than in the first quarter. The smaller decrease reflected an upturn in compensation of general government employees that was offset by a downturn in purchases of nondurable goods.

Government social benefits turned up in the second quarter as a result of an upturn in Medicaid benefits.

Capital transfer receipts decreased less than in the first quarter, when disaster benefit payouts from insurance companies turned down following fourth-quarter payouts for damages due to Superstorm Sandy.

Estimates of State and Local Government Receipts and Expenditures

The estimates of state and local government current receipts and expenditures and total receipts and expenditures are mainly based on compilations of data for state and local government finances. The Census Bureau produces the primary source data: the census of governments that is conducted in years that end in a 2 or a 7 and the Government Finances series of surveys for the other years. In addition, other sources of Census Bureau data are from the *Quarterly Summary of State and Local Government Tax Revenue* and the monthly *Value of Construction Put in Place*. Data sources from the Bureau of Labor Statistics include the Quarterly Census of Employment and Wages and the Employment Cost Index.

Quarterly and annual estimates are available monthly in NIPA table 3.3. Detailed annual estimates of state and local government transactions by component are available annually in NIPA tables 3.4–3.8, 3.12, and 3.13. Detailed quarterly estimates are available at www.bea.gov; under "National" and Supplemental Estimates," see "Underlying Detail Tables." For a historical time series of reconciliations of the NIPA estimates with the Census Bureau data from Government Finances, see NIPA table 3.19.

BEA also prepares annual estimates of receipts and expenditures of state governments and of local governments.[1] These estimates are available annually in NIPA table 3.20 (state government receipts and expenditures) and in NIPA table 3.21 (local government receipts and expenditures); they were published in the October 2012 SURVEY.

1. Bruce E. Baker, "Receipts and Expenditures of State Governments and of Local Governments," SURVEY 85 (October 2005): 5–10.