

Government Receipts and Expenditures

Fourth Quarter of 2013

NET GOVERNMENT saving, the difference between current receipts and current expenditures of the federal government and state and local governments, was $-\$882.5$ billion in the fourth quarter of 2013, increasing $\$193.4$ billion from $-\$1,075.9$ billion in the third quarter of 2013.

Net federal government saving was $-\$652.1$ billion in the fourth quarter, increasing $\$197.9$ billion from $-\$850.0$ billion in the third quarter (see page 2). Current receipts turned up, and current expenditures turned down in the fourth quarter.

Net state and local government saving was $-\$230.3$ billion in the fourth quarter, decreasing $\$4.3$ billion from $-\$226.0$ billion in the third quarter (see page 3). Current receipts turned up, while current expenditures decelerated in the fourth quarter.

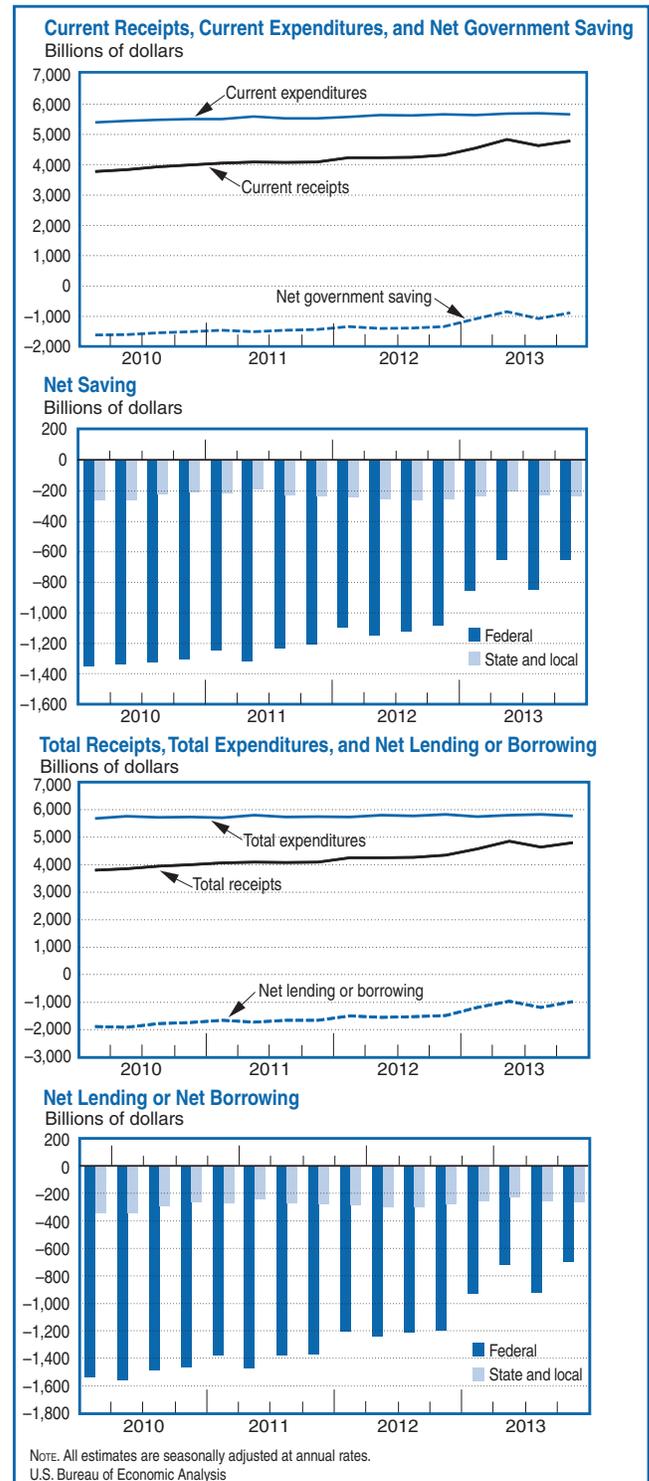
“Net lending or net borrowing (–)” is an alternative measure of the government fiscal position. Net borrowing is the financing requirement of the government sector, and it is derived as net government saving plus the consumption of fixed capital and net capital transfers received less gross investment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

Net borrowing was $\$967.8$ billion in the fourth quarter, decreasing $\$211.2$ billion from $\$1,179.0$ billion in the third quarter. Federal government net borrowing was $\$701.2$ billion in the fourth quarter, decreasing $\$220.1$ billion from $\$921.3$ billion in the third quarter. State and local government net borrowing was $\$266.6$ billion, increasing $\$8.9$ billion from $\$257.7$ billion in the third 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	2013				
	IV	I	II	III	IV	
Current receipts	4,781.5	227.0	284.7	-208.7	158.2	
Current expenditures	5,664.0	-22.9	52.6	16.6	-35.3	
Net government saving	-882.5	249.8	232.2	-225.2	193.4	
Federal	-652.1	225.4	200.0	-196.9	197.9	
State and local	-230.3	24.4	32.2	-28.4	-4.3	
Net lending or net borrowing (–) ...	-967.8	294.6	234.6	-228.7	211.2	
Federal	-701.2	272.9	204.9	-200.8	220.1	
State and local	-266.6	21.6	29.8	-27.9	-8.9	

Chart 1. Government Fiscal Position



Keith P. Zipay prepared this article.

Federal Government

Table 2. Federal Government Current Receipts and Expenditures

[Billions of dollars, seasonally adjusted at annual rates]

	Level	Change from preceding quarter			
	2013	2013			
	IV	I	II	III	IV
Current receipts	3,120.3	191.1	266.8	-191.1	144.5
Current tax receipts	1,795.7	31.2	31.5	18.1	35.1
Personal current taxes	1,312.1	58.0	23.7	16.3	20.1
Taxes on production and imports	123.9	0.8	-0.2	0.7	4.6
Taxes on corporate income	338.9	-26.9	7.7	0.6	9.6
Taxes from the rest of the world	20.8	-0.7	0.2	0.6	0.8
Contributions for government social insurance	1,106.0	126.4	9.5	5.5	9.3
Income receipts on assets	191.0	20.8	225.5	-206.2	97.6
Current transfer receipts	56.3	15.5	3.5	-6.4	5.3
Current surplus of government enterprises	-28.6	-2.8	-3.2	-2.1	-2.7
Current expenditures	3,772.5	-34.3	66.9	5.6	-53.2
Consumption expenditures	953.4	-11.6	-6.3	-3.6	-19.0
National defense	597.8	-10.9	-4.0	-0.8	-17.1
Nondefense	355.6	-0.7	-2.3	-2.8	-1.9
Current transfer payments	2,350.7	25.5	19.9	24.9	-21.3
Government social benefits	1,866.8	35.8	0.9	13.8	4.0
To persons	1,848.4	35.5	0.9	13.6	4.2
To the rest of the world	18.4	0.3	0.0	0.3	-0.3
Other current transfer payments	483.8	-10.1	18.9	11.1	-25.4
Grants-in-aid to state and local governments	443.0	-16.9	14.2	10.0	-12.7
To the rest of the world	40.8	6.7	4.8	1.1	-12.7
Interest payments	410.1	-48.6	52.3	-15.7	-12.6
Subsidies	58.2	0.2	1.0	0.1	-0.4
Less: Wage accruals less disbursements	0.0	0.0	0.0	0.0	0.0
Net federal government saving	-652.1	225.4	200.0	-196.9	197.9
Social insurance funds	-310.5	-21.3	10.5	-7.9	2.8
Other	-341.7	246.9	189.4	-188.9	194.9
Addenda:					
Total receipts	3,142.2	192.6	267.1	-189.4	146.8
Current receipts	3,120.3	191.1	266.8	-191.1	144.5
Capital transfer receipts	21.9	1.5	0.2	1.8	2.3
Total expenditures	3,843.5	-80.3	62.2	11.4	-73.2
Current expenditures	3,772.5	-34.3	66.9	5.6	-53.2
Gross government investment	271.3	-8.7	3.9	2.2	-7.5
Capital transfer payments	71.0	-36.2	-7.2	4.9	-10.1
Net purchases of nonproduced assets	-1.3	0.8	-0.2	-0.3	-0.2
Less: Consumption of fixed capital	269.9	1.9	1.2	1.0	2.1
Net lending or net borrowing (-)	-701.2	272.9	204.9	-200.8	220.1

Personal current taxes accelerated as a result of an acceleration in withheld income taxes.

Taxes on production and imports accelerated in the fourth quarter, reflecting upturns in gasoline excise taxes and in customs duties.

Taxes on corporate income accelerated, reflecting an acceleration in corporate profits.

Income receipts on assets turned up, reflecting an upturn in dividends caused by the pattern of dividend payments by Fannie Mae and Freddie Mac.

Current transfer receipts from business turned up in the fourth quarter, reflecting the fourth-quarter payment of a civil penalty by JP Morgan Chase to settle the Justice Department claims under the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA).

Consumption expenditures decreased more in the fourth quarter than in the third quarter. Defense decreased more as the result of a downturn in purchases of services. Nondefense spending decreased less.

Government social benefits to persons decelerated, reflecting a deceleration in Medicare benefits and a larger decrease in supplemental nutrition assistance benefits.

Grants-in-aid to state and local governments turned down, because of a downturn in Medicaid grants and a larger decrease in welfare and social services grants.

Capital transfer payments turned down, reflecting a downturn in both highway grants and transit and railroad grants.

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 January 2014 SURVEY.

1. See Mark S. Ludwick and Andrea L. Cook, “NIPA Translation of the Fiscal Year 2015 Federal Budget,” SURVEY OF CURRENT BUSINESS 94 (April 2014).

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		2013			
	IV	I	II	III	IV	
Current receipts	2,104.2	19.0	32.1	-7.6	1.0	Personal current taxes turned up in the fourth quarter because of an upturn in personal income taxes.
Current tax receipts	1,456.1	35.0	15.9	-20.0	6.8	
Personal current taxes	366.9	18.3	16.0	-27.5	1.3	Taxes on production and imports decelerated as a result of a downturn in severance taxes.
Taxes on production and imports	1,034.4	13.6	-1.7	9.5	4.7	
Taxes on corporate income	54.7	3.2	1.5	-2.0	0.7	Federal grants-in-aid turned down in the fourth quarter because of a downturn in Medicaid grants and a larger decrease in welfare and social services grants.
Contributions for government social insurance	17.9	0.0	0.1	0.2	0.3	
Income receipts on assets	82.7	0.9	0.7	1.0	0.8	Consumption expenditures decelerated in the fourth quarter, reflecting a deceleration in purchases of non-durable goods.
Current transfer receipts	563.2	-16.0	15.7	11.5	-6.7	
Federal grants-in-aid	443.0	-16.9	14.2	10.0	-12.7	Government social benefits turned down in the fourth quarter as a result of a downturn in Medicaid benefits.
Other	120.2	0.9	1.5	1.6	5.9	
Current surplus of government enterprises	-15.7	-0.9	-0.3	-0.3	-0.2	Gross government investment decelerated in the fourth quarter because of a downturn in spending for structures.
Current expenditures	2,334.5	-5.4	-0.1	20.8	5.3	
Consumption expenditures	1,557.3	-1.3	-1.6	9.4	6.5	Gross government investment decelerated in the fourth quarter because of a downturn in spending for structures.
Government social benefits	568.6	-1.4	3.6	13.0	-0.3	
Interest payments	208.1	-2.8	-2.1	-1.6	-0.9	Gross government investment decelerated in the fourth quarter because of a downturn in spending for structures.
Subsidies	0.5	0.0	0.0	0.0	0.0	
Net state and local government saving	-230.3	24.4	32.2	-28.4	-4.3	Gross government investment decelerated in the fourth quarter because of a downturn in spending for structures.
Social insurance funds	5.7	0.3	0.3	0.5	0.7	
Other	-236.0	24.2	31.9	-28.9	-5.0	Gross government investment decelerated in the fourth quarter because of a downturn in spending for structures.
Addenda:						
Total receipts	2,172.9	9.7	29.5	-1.3	-5.2	Gross government investment decelerated in the fourth quarter because of a downturn in spending for structures.
Current receipts	2,104.2	19.0	32.1	-7.6	1.0	
Capital transfer receipts	68.7	-9.2	-2.7	6.3	-6.2	Gross government investment decelerated in the fourth quarter because of a downturn in spending for structures.
Total expenditures	2,439.5	-11.9	-0.3	26.6	3.7	
Current expenditures	2,334.5	-5.4	-0.1	20.8	5.3	Gross government investment decelerated in the fourth quarter because of a downturn in spending for structures.
Gross government investment	336.3	-5.1	1.7	7.8	0.7	
Capital transfer payments						Gross government investment decelerated in the fourth quarter because of a downturn in spending for structures.
Net purchases of nonproduced assets	9.2	-0.3	-0.2	-0.2	-0.2	
Less: Consumption of fixed capital	240.6	1.2	1.7	1.7	2.3	Gross government investment decelerated in the fourth quarter because of a downturn in spending for structures.
Net lending or net borrowing (-)	-266.6	21.6	29.8	-27.9	-8.9	

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 online in the February 2014 SURVEY.

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