

# NIPA Translation of the Fiscal Year 2015 Federal Budget

By Mark S. Ludwick and Andrea L. Cook

ON MARCH 4, 2014, President Obama submitted the *Budget of the United States Government, Fiscal Year 2015* to Congress. The *Historical Tables* volume of this budget includes a presentation of federal government transactions on a national income and product account (NIPA) basis.<sup>1</sup> 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 2014 and for the budget year of 2015.

This article presents fiscal year and quarterly NIPA estimates for 2013, 2014, and 2015 that are more detailed than the NIPA estimates shown in the budget. These estimates are presented here to assist readers in gauging the projected impact of the budget on aggregate economic activity and to provide data for making more detailed analyses and forecasts of the macroeconomic effects of the budget. Projected quarterly NIPA estimates will be used by BEA in the development of estimates of federal government transactions, including the federal government component of gross domestic product (GDP). Differences between the fiscal year NIPA estimates presented in the budget and those presented in this article are the result of further analysis and the incorporation of data that became available after the publication of the budget.

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 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 2014 and 2015. The fourth section explains the methodology that was used in translating the budget projections into a NIPA framework.

1. See tables 14.1 and 14.2 in the *Historical Tables* volume of the *Budget of the U.S. Government, Fiscal Year 2015* (Washington, DC: U.S. Government Printing Office). In previous years, the *Analytical Perspectives* volume of the budget included a chapter that provided a detailed discussion of federal government transactions on a NIPA basis. This chapter was not included in *Analytical Perspectives* this year.

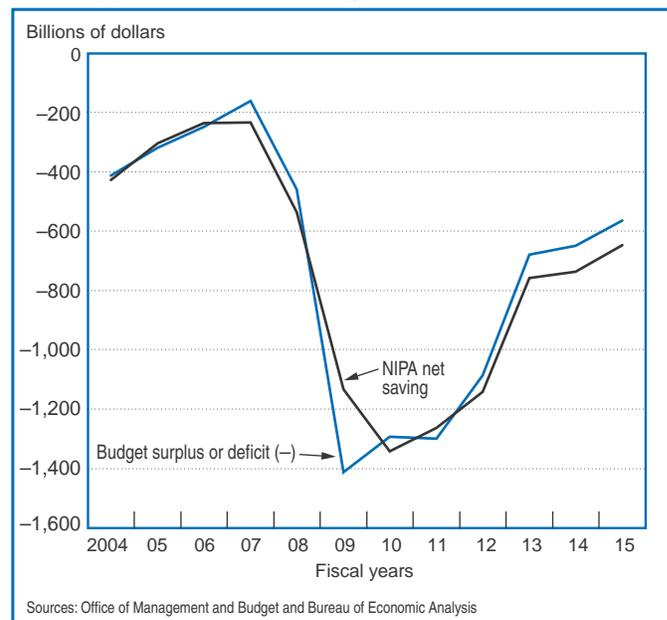
## Comparison of Budget and NIPA Estimates

The results of the budget translation can be summarized by comparing the budget surplus or deficit with the NIPA measure of net federal government saving, which is defined as the difference between NIPA estimates of current receipts and current expenditures (chart 1, table 1). For 2014 and 2015, NIPA net federal government saving is negative and larger in absolute value than the budget deficit. Net federal government saving for 2015 is  $-\$646.4$  billion, up  $\$89.6$  billion from  $-\$736.0$  billion in 2014. The budget deficit for 2015 is  $-\$563.6$  billion, down  $\$85.2$  billion from  $-\$648.8$  billion in 2014.

For 2014 and 2015, NIPA current receipts are projected to be greater than budget receipts, and NIPA current expenditures are projected to be greater than budget outlays.<sup>2</sup> The coverage, netting and grossing,

2. For a historical perspective of the relationship between budget receipts and outlays and NIPA receipts and expenditures, see NIPA table 3.18b on BEA's Web site at [www.bea.gov](http://www.bea.gov).

**Chart 1. Federal Fiscal Position, Budget Surplus or Deficit (–) and NIPA Net Saving**



and timing adjustments that BEA makes to translate budget estimates into NIPA estimates are presented in table 2 and table 3. Differences between NIPA esti-

mates of spending on national defense and budget estimates are shown in table 4. For more information about the conceptual differences between NIPA measures and budget measures of government transactions, see the box “NIPA Estimates of the Federal Sector and the Federal Budget Estimates.”

**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			
	2013	2014	2015	2014	2015
<b>Budget:</b>					
Receipts .....	2,775.1	3,001.7	3,337.4	226.6	335.7
Outlays .....	3,454.6	3,650.5	3,901.0	195.9	250.5
Surplus or deficit (-) .....	-679.5	-648.8	-563.6	30.7	85.2
<b>NIPAs:</b>					
Current receipts .....	3,014.1	3,220.4	3,511.0	206.3	290.6
Current expenditures .....	3,772.3	3,956.5	4,157.4	184.2	201.0
Net federal government saving .....	-758.1	-736.0	-646.4	22.1	89.6
	Differences				
Budget receipts less NIPA current receipts .....	-239.0	-218.7	-173.6	20.3	45.1
Budget outlays less NIPA current expenditures .....	-317.7	-306.0	-256.4	11.7	49.6
Budget deficit less NIPA net federal government saving .....	78.6	87.2	82.8	8.6	-4.4

Sources: *Budget of the United States, Fiscal Year 2015* and the Bureau of Economic Analysis. NIPAs National income and product accounts

**Table 2. Relation of NIPA Federal Government Current Receipts to Budget Receipts**

[Billions of dollars]

	Fiscal year		
	2013	2014	2015
<b>Budget receipts</b> .....	<b>2,775.1</b>	<b>3,001.7</b>	<b>3,337.4</b>
Less: Coverage differences .....	31.6	28.4	30.3
Contributions received by federal employee pension and insurance funds <sup>1</sup> .....	3.6	3.8	3.9
Capital transfers received <sup>2</sup> .....	18.7	15.5	17.2
Financial transactions .....	0.0	0.0	0.0
Other <sup>3</sup> .....	9.3	9.1	9.1
Less: Netting and grossing differences .....	-252.6	-222.2	-186.4
Supplementary medical insurance premiums .....	-68.6	-72.6	-75.5
Interest receipts .....	-114.4	-89.6	-43.2
Current surplus of government enterprises .....	12.1	26.6	11.3
Other <sup>4</sup> .....	-81.7	-86.6	-79.1
Plus: Timing differences .....	18.0	24.9	17.4
Taxes on corporate income .....	17.2	12.7	3.0
Federal and state unemployment insurance taxes .....	0.7	-1.0	1.1
Withheld personal income tax and social security contributions .....	-0.6	14.4	12.2
Excise taxes .....	0.1	-0.8	1.4
Other .....	0.5	-0.4	-0.2
<b>Equals: NIPA federal government current receipts</b> .....	<b>3,014.1</b>	<b>3,220.4</b>	<b>3,511.0</b>

1. In the NIPAs, pension funds are treated as separate institutional units in the financial corporations sector, and pension contributions and entitlements are recorded on an accrual basis. NIPA table 7.22 shows transactions of the federal government defined-benefit pension subsector. Government employee contributions to pension funds are excluded from NIPA federal government receipts because these contributions are paid into the pension fund. Contributions for publicly administered insurance funds are transactions with the household sector and include the Medicare-eligible Retiree Health Care Fund.

2. Consists of estate and gift taxes.

3. Beginning with 1996, 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 2015* and the Bureau of Economic Analysis.

NIPAs National income and product accounts

## Budget Estimates

The budget projects that federal receipts will increase \$226.6 billion in 2014 and \$335.7 billion in 2015 (table

**Table 3. Relation of NIPA Federal Government Current Expenditures to Budget Outlays**

[Billions of dollars]

	Fiscal year		
	2013	2014	2015
<b>Budget outlays</b> .....	<b>3,454.6</b>	<b>3,650.5</b>	<b>3,901.0</b>
Less: Coverage differences .....	-45.6	-86.8	-60.3
Federal employee pension and insurance fund transactions <sup>1</sup> .....	-91.8	-92.0	-94.5
Interest accrued .....	-170.0	-176.6	-182.9
Contributions accrued (employer) .....	-66.2	-68.9	-69.1
Benefits paid .....	144.2	153.2	157.2
Administrative expenses .....	0.2	0.2	0.2
Financing disbursements from credit programs <sup>2</sup> .....	-131.2	-124.9	-118.3
Other differences in funds covered <sup>3</sup> .....	8.5	9.3	10.0
Net investment <sup>4</sup> .....	10.5	-10.5	-10.7
Capital transfers paid <sup>5</sup> .....	84.1	74.7	76.9
Financial transactions .....	76.6	57.3	80.3
Loan disbursements less loan repayments and sales	84.6	95.3	96.0
Deposit insurance .....	7.9	3.0	2.8
Net purchases of foreign currency .....	0.0	0.0	0.0
Other .....	-15.9	-40.9	-18.6
Net purchases of nonproduced assets .....	-3.1	-2.0	-4.9
Other <sup>6</sup> .....	0.8	1.1	1.0
Less: Netting and grossing differences .....	-252.6	-222.2	-186.5
Supplementary medical insurance premiums .....	-68.6	-72.6	-75.5
Interest receipts .....	-114.4	-89.6	-43.2
Current surplus of government enterprises .....	12.1	26.6	11.3
Other <sup>7</sup> .....	-81.6	-86.6	-79.1
Plus: Timing differences .....	19.5	-3.2	9.7
Purchases (increase in payables net of advances) .....	6.0	1.6	-2.4
Interest payments .....	0.2	0.2	0.2
Current transfer payments .....	19.1	-3.0	11.7
Other <sup>8</sup> .....	-5.8	-2.0	0.1
<b>Equals: NIPA federal government current expenditures</b> .....	<b>3,772.3</b>	<b>3,956.5</b>	<b>4,157.4</b>

1. In the NIPAs, pension funds are treated as separate institutional units in the financial corporations sector, pension contributions and entitlements are recorded on an accrual basis, and unfunded pension entitlements are treated as liabilities of the government with an associated interest expense. NIPA table 7.22 shows transactions of the federal government defined-benefit pension subsector. Contributions for publicly administered insurance funds are transactions with the household sector and include the Medicare-eligible 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 largely of net expenditures of foreign currencies.

7. 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.

8. Primarily includes timing on subsidies and government enterprises.

Sources: *Budget of the United States Government, Fiscal Year 2015* and the Bureau of Economic Analysis.

NIPAs National income and product accounts

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

[Billions of dollars]

	Fiscal year		
	2013	2014	2015
Budget outlays for national defense .....	633.4	620.6	631.3
Department of Defense, military .....	607.8	593.3	584.3
Military personnel .....	150.8	154.3	141.6
Operation and maintenance .....	259.7	272.8	228.3
Procurement .....	114.9	92.1	91.4
Aircraft .....	36.9	30.1	27.5
Missiles .....	7.1	5.7	6.5
Ships .....	12.6	11.6	10.9
Weapons .....	5.8	5.3	5.1
Ammunition .....	2.1	1.9	1.9
Other <sup>1</sup> .....	50.4	37.5	39.5
Research, development, test, and evaluation .....	66.9	56.0	63.2
Other .....	15.5	18.1	59.8
Atomic energy and other defense-related activities .....	25.6	27.2	47.0
Plus: Consumption of general government fixed capital .....	162.7	164.8	163.2
Additional payments to military and civilian retirement funds .....	78.5	84.3	81.7
Less: Grants-in-aid to state and local governments and net interest paid .....	0.5	0.6	0.5
Timing differences .....	-5.0	-4.1	0.0
Other differences .....	97.9	104.2	99.3
<b>Equals: NIPA national defense consumption expenditures and gross investment .....</b>	<b>781.1</b>	<b>769.0</b>	<b>776.4</b>
Less: National defense gross investment <sup>2</sup> .....	160.6	148.3	144.2
<b>Equals: NIPA national defense consumption expenditures .....</b>	<b>620.6</b>	<b>620.6</b>	<b>632.2</b>

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 2015* and the Bureau of Economic Analysis.  
 NIPAs National income and product accounts

5). Excluding the effects of legislative proposals, which will be discussed in the next section, the acceleration in federal receipts can be largely attributed to a projected increase in economic activity, including a projected acceleration in real GDP. 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 \$195.9 billion in 2014 and \$250.5 billion in 2015 (table 6). Excluding the effects of legislative proposals, the largest contributors to the acceleration in federal outlays are (1) an acceleration in the subsidy costs of federal mortgage loan and loan guarantee programs, included in

**Table 5. Budget Receipts by Source**

[Billions of dollars]

	Level for fiscal year				Change from preceding year		
	2012	2013	2014	2015	2013	2014	2015
<b>Budget receipts .....</b>	<b>2,450.2</b>	<b>2,775.1</b>	<b>3,001.7</b>	<b>3,337.4</b>	<b>324.9</b>	<b>226.6</b>	<b>335.7</b>
Individual income taxes .....	1,132.2	1,316.4	1,386.1	1,533.9	184.2	69.7	147.9
Corporation income taxes .....	242.3	273.5	332.7	449.0	31.2	59.2	116.3
Social insurance taxes and contributions .....	845.3	947.8	1,021.1	1,055.7	102.5	73.3	34.6
Excise taxes .....	79.1	84.0	93.5	110.5	4.9	9.5	17.0
Estate and gift taxes .....	14.0	18.9	15.7	17.5	4.9	-3.2	1.8
Customs duties .....	30.3	31.8	35.0	37.0	1.5	3.2	2.0
Miscellaneous receipts .....	107.0	102.6	117.6	131.7	-4.4	14.9	14.1
Other <sup>1</sup> .....	0.0	0.0	0.0	2.0	0.0	0.0	2.0

1. Includes an increase in receipts resulting from a budget proposal to enact comprehensive immigration reform.  
 Source: *Budget of the United States Government, Fiscal Year 2015*.

**Table 6. Budget Outlays by Function**

[Billions of dollars]

	Level for fiscal year				Change from preceding year		
	2012	2013	2014	2015	2013	2014	2015
<b>Budget outlays .....</b>	<b>3,537.1</b>	<b>3,454.6</b>	<b>3,650.5</b>	<b>3,901.0</b>	<b>-82.5</b>	<b>195.9</b>	<b>250.5</b>
Social security .....	773.3	813.6	857.3	903.2	40.3	43.8	45.9
National defense .....	677.9	633.4	620.6	631.3	-44.5	-12.8	10.7
Income security .....	541.3	536.5	542.2	536.0	-4.8	5.7	-6.3
Medicare .....	471.8	497.8	519.0	532.3	26.0	21.2	13.3
Health .....	346.7	358.3	450.8	512.2	11.6	92.5	61.4
Net interest .....	220.4	220.9	223.5	251.9	0.5	2.6	28.4
Veterans benefits and services .....	124.6	138.9	151.2	158.5	14.3	12.2	7.4
Education, training, employment, and social services .....	90.8	72.8	100.5	117.4	-18.0	27.7	16.9
Transportation .....	93.0	91.7	95.5	97.8	-1.3	3.8	2.3
Administration of justice .....	56.3	52.6	53.1	55.8	-3.7	0.5	2.7
International affairs .....	47.2	46.4	48.5	50.1	-0.8	2.1	1.6
Natural resources and environment .....	41.6	38.1	39.1	41.3	-3.5	1.0	2.2
Community and regional development .....	25.1	32.3	33.3	28.9	7.2	1.0	-4.4
General science, space, and technology .....	29.1	28.9	28.7	30.8	-0.2	-0.2	2.1
General government .....	28.0	27.8	22.4	25.7	-0.3	-5.3	3.3
Agriculture .....	17.8	29.5	22.7	17.0	11.7	-6.8	-5.7
Energy .....	14.9	11.0	13.4	8.6	-3.8	2.3	-4.8
Allowances <sup>1</sup> .....	0.0	0.0	1.9	29.3	0.0	1.9	27.4
Commerce and housing credit .....	40.8	-83.2	-82.3	-31.4	-124.0	0.9	50.9
Undistributed offsetting receipts <sup>2</sup> .....	-103.5	-92.8	-90.7	-95.7	10.8	2.0	-4.9

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 2015*.

the “Commerce and Housing Credit” function and (2) an acceleration in interest payments on Treasury debt securities, included in the “Net Interest” function.

### Proposed legislative and program changes

Budget estimates include 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 needed to better represent the deficit outlook under current policy and to serve as a more appropriate benchmark for measuring policy changes are included in the budget’s adjusted baseline. In the fiscal year 2015 budget, the adjusted baseline for 2014 and 2015 includes the following:

- Costs related to an expected postponement of scheduled reductions in Medicare payments for physician services
- An expected default by the Postal Service on required contributions to the Postal Service retiree health benefits fund

Additional policies that are included in the budget but that are not in the adjusted baseline are treated as proposed legislation. If enacted, proposed legislation would, relative to the adjusted baseline, reduce federal receipts \$2.9 billion in 2014 and would increase federal receipts \$86.9 billion in 2015. Proposed legislation would increase federal outlays \$17.6 billion in 2014 and \$89.2 billion in 2015. The resulting net effect of proposed legislation would be to increase the federal deficit \$20.4 billion in 2014 and \$2.2 billion in 2015 (table 7).

### Receipts

The following legislative proposals would significantly affect federal receipts in 2015.

- Proposals to be enacted as part of long-run revenue-neutral business tax reform are not included in the budget estimates. However, the transition to a reformed business tax system is projected to increase corporate income tax receipts by \$37.5 billion. This revenue is intended to pay for one-time investments in transportation infrastructure.
- A proposal to limit the tax rate at which taxpayers can itemize deductions to reduce their tax liability to a maximum of 28 percent would increase individual income tax receipts by a projected \$26.6 billion.
- A proposal to implement a “Fair Share Tax” for high-income taxpayers would increase individual income tax receipts by a projected \$10.5 billion. This tax would require people with adjusted gross income of over \$1 million per year to pay at least 30 percent of their income, after a charitable credit, in taxes.

- A proposal to increase federal taxes on tobacco would increase excise tax receipts by a projected \$10.4 billion. Revenue from the increase in these taxes is intended to fund the “Preschool for All” initiative, although outlays for this initiative are relatively small before 2016.

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

	Fiscal year	
	2014	2015
<b>Receipts</b>		
Current-services estimates <sup>1</sup> .....	3,004.6	3,250.5
<i>Plus:</i> Proposed legislation excluding proposals assumed in the baseline .....	-2.9	86.9
Reform the business tax system .....		37.5
Reduce the value of certain tax expenditures .....		26.6
Implement a “Fair Share Tax” .....		10.5
Increase tobacco excise taxes .....		10.4
Other .....	-2.9	1.9
<i>Equals:</i> The budget .....	3,001.7	3,337.4
<b>Outlays</b>		
Current-services estimates <sup>1</sup> .....	3,632.9	3,811.8
<i>Plus:</i> Program changes excluding proposals assumed in the baseline .....	17.6	89.2
<i>By function:</i>		
National defense .....		16.7
International affairs .....		-1.0
General science, space, and technology .....		-0.3
Energy .....		-0.6
Natural resources and environment .....		-0.8
Agriculture .....		-1.0
Commerce and housing credit .....	-1.7	1.0
Transportation .....		2.0
Community and regional development .....		2.0
Education, training, employment, and social services .....		15.5
Health .....	3.4	7.8
Medicare .....	0.4	-2.9
Income security .....	17.5	8.9
Social security .....		0.6
Veterans benefits and services .....		-1.3
Administration of justice .....		-8.5
General government .....		1.5
Net interest .....	0.4	0.4
Allowances <sup>2</sup> .....		50.9
Undistributed offsetting receipts .....	-2.4	-1.7
<i>By proposal:</i>		
Implement the Opportunity, Growth, and Security Initiative .....		32.6
Replace BCA and Joint Committee enforcement with alternative deficit reduction proposals .....		27.1
Extend the Emergency Unemployment Compensation program .....	15.0	4.7
Implement comprehensive immigration reform .....		8.0
Reform the terms of student loan repayment plans .....		7.2
Other .....	2.6	9.5
<i>Equals:</i> The budget .....	3,650.5	3,901.0
Current-services surplus or deficit (-) .....	-628.4	-561.3
<i>Plus:</i> Proposed changes, receipts less outlays .....	-20.4	-2.2
<i>Equals:</i> Administration budget surplus or deficit (-) .....	-648.8	-563.6
<b>Addenda:</b>		
Budget Enforcement Act current-services baseline surplus or deficit (-) .....	-617.1	-567.6
<i>Plus:</i> Adjustments to reflect current tax policies .....		
<i>Plus:</i> Adjustments to reflect current spending policies .....	-11.2	6.3
Set discretionary budget authority at cap levels in Budget Control Act .....		24.2
Prevent reduction in Medicare physician payments .....	-6.2	-13.7
Other .....	-5.1	-4.3
<i>Equals:</i> Current-services surplus or deficit (-) .....	-628.4	-561.3

1. These current-services estimates include adjustments made to Budget Enforcement Act current-services estimates in order to more accurately reflect a continuation of current policy. For information on these adjustments, see the “Budget Process” chapter in the *Analytical Perspectives* volume of the budget.

2. 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.

Sources: *Budget of the United States Government, Fiscal Year 2015*.

- A proposal to suspend the collection of debts and the accrual of interest on debts owed by state governments would reduce receipts into the Unemployment Insurance Trust Fund by \$3.3 billion.
- A proposal to implement comprehensive immigration reform would increase receipts \$2.0 billion in 2015.

**Outlays**

The following legislative proposals would significantly affect federal outlays in 2014 and 2015.

- The Opportunity, Growth, and Security Initiative proposes increased spending and offsetting spending cuts across a broad range of defense and nondefense government programs. The net impact of this initiative would be to increase outlays by \$32.6 billion in 2015.<sup>3</sup>
- A proposal to extend the Emergency Unemployment Compensation program through December 2014 would increase outlays by \$15.0 billion in 2014 and \$4.7 billion in 2015.
- A proposal to implement comprehensive immigration reform, including increased spending on border security measures, would increase outlays by \$8.0 billion in 2015.
- Proposals to reform the terms of student loan repayment plans would increase outlays by \$7.2 billion in 2015.

**NIPA Estimates**

**Fiscal year estimates**

**Receipts.** NIPA federal government current receipts are projected to increase \$206.3 billion in 2014 and \$290.6 billion in 2015 (table 8 and chart 2). This acceleration 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 on personal current taxes, taxes on corporate income, and taxes on production and imports.

**Expenditures.** NIPA federal government current expenditures are projected to increase \$184.2 billion in 2014 and \$201.0 billion in 2015 (table 9 and chart 3). This acceleration reflects accelerations in defense consumption expenditures, federal interest payments, and Medicare benefits and a smaller decrease in unemployment benefits. Grants-in-aid to state and local governments are projected to decelerate in 2015, which is largely the result of the pattern of federal funding for Medicaid benefits.

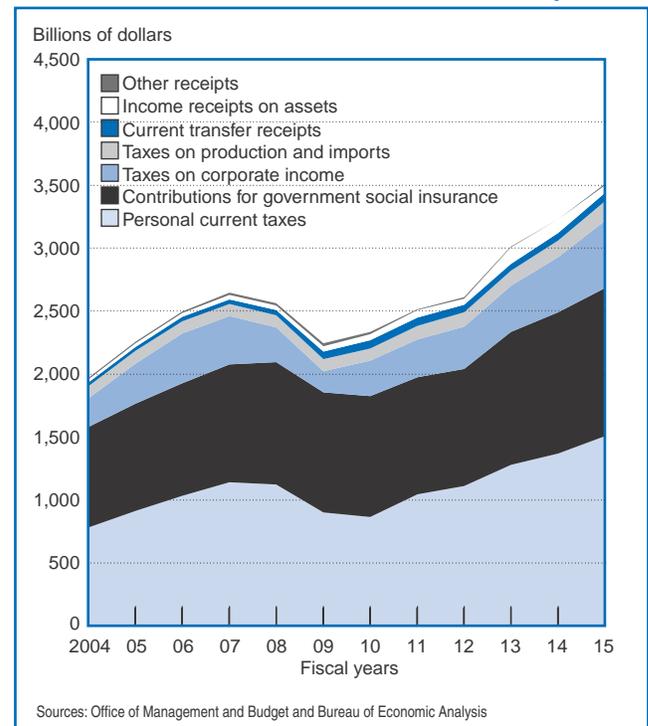
3. For details about this initiative, see the *Budget* volume of the *Budget of the U.S. Government, Fiscal Year 2015* (Washington, DC: U.S. Government Printing Office): 11–16.

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

	Change from preceding fiscal year		
	2013	2014	2015
<b>Total current receipts</b> .....	<b>403.2</b>	<b>206.3</b>	<b>290.6</b>
Current tax receipts .....	206.4	168.8	265.3
Personal current taxes .....	172.1	86.3	138.8
Due to tax bases .....	172.1	88.9	99.6
Due to proposed legislation.....	0.0	-2.6	39.2
Taxes on production and imports .....	4.6	12.7	22.3
Due to tax bases .....	4.6	13.2	11.0
Due to proposed legislation.....	0.0	-0.5	11.3
Taxes on corporate income.....	27.5	68.6	104.2
Due to tax bases .....	27.5	68.4	67.0
Due to proposed legislation.....	0.0	0.2	37.2
Taxes from the rest of the world.....	2.2	1.2	0.0
Contributions for government social insurance .....	122.1	72.2	48.9
Due to tax bases .....	122.1	72.2	47.9
Due to proposed legislation .....	0.0	0.0	1.0
Income receipts on assets .....	77.2	-22.8	-45.9
Current transfer receipts.....	2.5	2.6	7.0
Current surplus of government enterprises.....	-4.8	-14.5	15.4
<b>Addenda:</b>			
Total due to tax bases .....	326.3	242.7	225.5
Total due to proposed legislation.....	0.0	-2.9	88.7

Sources: *Budget of the United States Government, Fiscal Year 2015* and the Bureau of Economic Analysis.  
NIPAs National income and product accounts

**Chart 2. Federal Government Current Receipts**



**Table 9. Sources of Change in NIPA Federal Government Current Expenditures**  
[Billions of dollars]

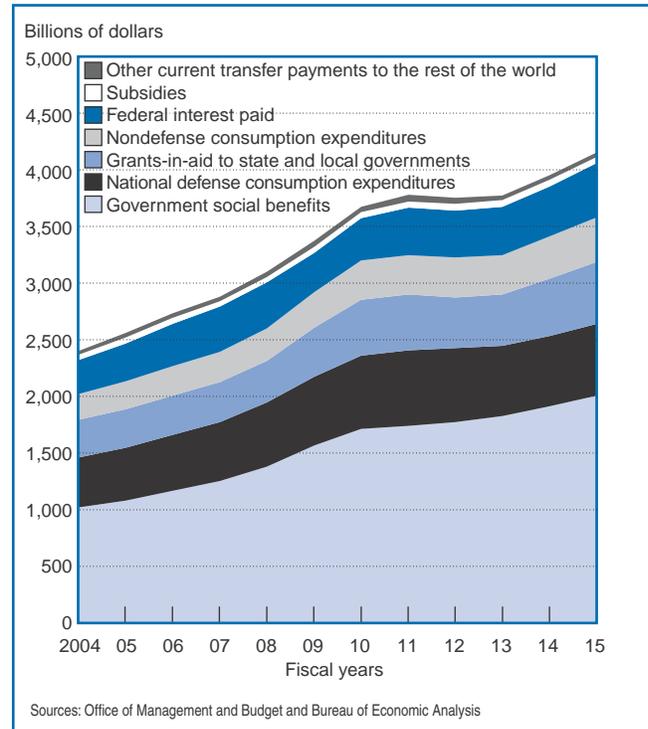
	Change from preceding fiscal year		
	2013	2014	2015
<b>Total current expenditures</b> .....	<b>18.2</b>	<b>184.2</b>	<b>201.0</b>
Consumption expenditures .....	-44.7	23.7	36.1
National defense .....	-37.1	0.1	11.6
Pay raise and locality pay .....	0.0	1.3	1.6
Other .....	-37.1	-1.2	9.9
Nondefense .....	-7.6	23.6	24.6
Pay raise and locality pay .....	0.0	0.8	1.1
Other .....	-7.6	22.8	23.4
Current transfer payments .....	51.2	144.6	132.5
Government social benefits to persons .....	52.6	84.0	96.1
Social Security .....	39.7	43.6	43.3
Medicare .....	28.8	10.1	25.1
Supplemental security income .....	2.5	1.9	1.5
Refundable tax credits .....	-0.3	37.1	21.2
Veterans benefits .....	3.5	12.1	7.7
Unemployment benefits .....	-25.3	-21.2	-4.4
Supplemental Nutrition Assistance Program .....	1.6	-4.1	-0.3
Other .....	2.1	4.5	1.9
Government social benefits to the rest of the world .....	1.7	0.8	1.0
Grants-in-aid to state and local governments .....	10.2	58.4	35.3
General public service .....	1.4	0.1	0.1
National defense .....	0.0	0.1	-0.2
Public order and safety .....	0.3	0.3	-1.5
Economic affairs .....	-3.2	1.4	2.7
Transportation .....	0.0	0.0	0.1
Space .....	0.0	0.0	0.0
Other economic affairs .....	-3.2	1.4	2.6
General economic and labor affairs .....	-0.2	0.8	2.8
Agriculture .....	-0.1	0.7	-0.8
Energy .....	-3.1	-0.2	0.0
Natural resources .....	0.2	0.1	0.5
Housing and community services .....	-1.4	5.2	0.6
Health .....	15.6	45.9	25.9
Medicaid .....	14.8	43.1	27.3
Prescription drug plan clawback .....	-0.3	-0.1	0.0
Other .....	1.1	2.8	-1.4
Recreation and culture .....	-0.1	0.1	0.0
Education .....	-5.0	3.6	2.9
Income security .....	2.6	1.8	4.8
Disability .....	-0.1	0.1	0.1
Welfare and social services .....	0.9	1.6	1.4
Unemployment .....	1.0	-0.8	0.0
Other .....	0.8	0.9	3.3
Other current transfer payments paid to the rest of the world .....	-13.3	1.4	0.1
Federal interest paid .....	9.4	17.7	36.7
Subsidies .....	2.3	-1.8	-4.3
Agriculture .....	0.6	-5.1	0.0
Housing .....	-0.3	1.2	1.4
Other .....	2.0	2.1	-5.7

Source: Bureau of Economic Analysis.  
NIPAs National income and product accounts

**Quarterly estimates**

Seasonally adjusted quarterly NIPA estimates of federal government current receipts and current expenditures for 2014 and 2015 (table 10) are consistent with the federal budget and reflect the quarterly patterns that would result from enacted and proposed legislation. These estimates are extrapolated from published NIPA

**Chart 3. Federal Government Current Expenditures**



Sources: Office of Management and Budget and Bureau of Economic Analysis

**Acknowledgments**

Translation of fiscal year 2015 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, 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.

estimates for the fourth quarter of 2013, which were released on March 27, 2014.<sup>4</sup>

Quarterly patterns of NIPA estimates of receipts and expenditures are based on the fiscal year changes in budget estimates, economic assumptions from the budget, and expectations about the timing of receipts and expenditures of specific government programs. For example, the quarterly patterns of some NIPA

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

**Table 10. NIPA Federal Government Current Receipts and Expenditures—Continues**

[Billions of dollars; calendar year and quarters at seasonally adjusted annual rates]

Line	Fiscal year estimates <sup>1</sup>					Calendar year		Quarter										
	2013	2014	2015	2013	2014	Pub- lished <sup>2</sup>	Esti- mated	Published <sup>2</sup>				Estimated						
								2013				2014				2015		
								I	II	III	IV	I	II	III	IV	I	II	III
<b>Current receipts</b> .....	<b>1</b>	<b>3,014.1</b>	<b>3,220.4</b>	<b>3,511.0</b>	<b>3,040.8</b>	<b>3,171.2</b>	<b>2,900.1</b>	<b>3,166.9</b>	<b>2,975.8</b>	<b>3,120.3</b>	<b>3,069.7</b>	<b>3,129.8</b>	<b>3,198.1</b>	<b>3,287.3</b>	<b>3,370.3</b>	<b>3,430.7</b>	<b>3,483.1</b>	
Current tax receipts .....	2	1,784.7	1,953.5	2,218.8	1,752.5	1,930.9	1,711.0	1,742.5	1,760.6	1,795.7	1,842.7	1,893.4	1,948.0	2,039.4	2,106.3	2,153.8	2,194.2	
Personal current taxes .....	3	1,280.1	1,366.4	1,505.2	1,282.9	1,374.8	1,252.0	1,275.7	1,292.0	1,312.1	1,328.9	1,356.9	1,390.3	1,423.2	1,461.2	1,495.2	1,527.1	
Withheld income taxes .....	4	1,083.0	1,142.3	1,216.0	1,092.0	1,162.7	1,072.0	1,087.4	1,097.4	1,111.4	1,131.1	1,152.3	1,174.7	1,192.7	1,203.6	1,222.1	1,242.0	
Declarations and final settlements less refunds .....	5	197.1	224.2	289.3	190.9	212.1	179.9	188.3	194.7	200.7	197.8	204.6	215.6	230.5	257.6	273.1	285.1	
Proposed legislation .....	6	.....	-2.6	35.6	.....	6.3	.....	.....	.....	.....	0.0	-5.2	35.6	35.6	35.6	35.6	35.6	
Other .....	7	197.1	226.7	253.7	190.9	205.8	179.9	188.3	194.7	200.7	197.8	209.8	220.7	194.9	222.0	237.5	249.5	
Taxes on production and imports .....	8	121.0	133.6	155.9	120.2	136.7	118.8	118.6	119.3	123.9	133.1	135.3	137.6	140.9	154.0	156.1	157.6	
Proposed legislation .....	9	.....	-0.5	10.8	.....	-0.3	.....	.....	.....	.....	-0.7	-0.7	-0.7	1.0	14.8	14.8	14.8	
Other .....	10	121.0	134.1	145.1	120.2	137.0	118.8	118.6	119.3	123.9	133.8	136.0	138.2	139.9	139.2	141.3	142.8	
Taxes on corporate income .....	11	364.0	432.6	536.8	329.5	398.5	321.0	328.7	329.3	338.9	359.8	380.3	399.4	454.5	470.3	481.7	488.7	
Federal Reserve Banks .....	12	76.3	91.0	88.9	74.4	91.1	61.9	73.9	78.8	83.0	87.7	90.9	92.7	93.1	90.6	85.2	77.0	
Other corporate profit tax accruals .....	13	287.7	341.7	448.0	255.1	307.4	259.1	254.8	250.5	255.9	272.2	289.4	306.7	361.5	379.7	396.4	411.6	
Proposed legislation .....	14	.....	0.2	37.4	.....	9.6	.....	.....	.....	.....	0.0	0.4	0.4	37.4	37.4	37.4	37.4	
Other .....	15	287.7	341.5	410.5	255.1	297.8	259.1	254.8	250.5	255.9	272.2	289.0	306.2	324.0	342.3	359.0	374.2	
Taxes from the rest of the world .....	16	19.6	20.8	20.8	19.9	20.8	19.2	19.4	20.0	20.8	20.8	20.8	20.8	20.8	20.8	20.8	20.8	
Contributions for social insurance .....	17	1,054.5	1,126.7	1,175.7	1,093.9	1,145.0	1,081.7	1,091.2	1,096.7	1,106.0	1,126.9	1,138.8	1,151.8	1,162.3	1,173.8	1,184.6	1,195.8	
Domestic .....	18	1,048.7	1,120.6	1,169.4	1,088.6	1,139.5	1,076.5	1,085.9	1,091.4	1,100.6	1,121.5	1,133.3	1,146.3	1,156.7	1,168.2	1,178.9	1,190.1	
Old age, survivors, disability, and hospital insurance .....	19	910.1	974.9	1,021.7	943.3	988.1	931.3	940.6	946.1	955.2	971.9	982.5	994.3	1,003.6	1,017.6	1,027.6	1,038.4	
Tax on wages and salaries (FICA, gross) Proposed legislation .....	20	856.9	913.8	955.8	890.4	927.5	879.5	888.1	892.9	901.2	913.0	922.3	933.0	941.6	954.0	963.8	974.4	
Rate change .....	21	.....	1.0	.....	.....	.....	.....	.....	.....	.....	0.0	0.0	0.0	0.0	1.1	1.1	1.1	
Base increases .....	22	.....	0.0	0.0	.....	0.0	.....	.....	.....	.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
January 2014 .....	23	.....	0.8	3.8	.....	3.3	.....	.....	.....	.....	3.3	3.3	3.3	3.3	5.3	5.3	5.3	
January 2015 .....	24	.....	0.8	3.3	.....	3.3	.....	.....	.....	.....	3.3	3.3	3.3	3.3	3.3	3.3	3.3	
Other .....	25	.....	.....	0.5	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1.9	1.9	1.9	
FICA refunds .....	26	856.9	913.0	951.0	890.4	924.1	879.5	888.1	892.9	901.2	909.6	918.9	929.7	938.3	947.7	957.4	968.1	
Voluntary hospital insurance .....	27	-2.4	-2.6	-2.7	-2.2	-2.4	-2.2	-2.2	-2.2	-2.2	-2.4	-2.4	-2.4	-2.4	-2.6	-2.6	-2.6	
Tax on self-employment earnings (SECA) .....	28	3.4	3.5	3.5	3.5	3.7	3.5	3.5	3.6	3.6	3.6	3.7	3.7	3.7	3.7	3.7	3.7	
Supplementary medical insurance .....	29	52.3	60.2	65.1	51.6	59.3	50.6	51.2	51.9	52.7	57.6	58.9	60.0	60.7	62.4	62.8	63.0	
Proposed legislation .....	30	0.0	0.0	0.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.1	1.1	1.1	
Base increases .....	31	0.0	2.5	3.5	0.0	3.4	0.0	0.0	0.0	0.0	3.4	3.4	3.4	3.4	3.6	3.6	3.6	
Other .....	32	52.3	57.6	60.8	51.6	55.9	50.6	51.2	51.9	52.7	54.3	55.6	56.6	57.3	57.8	58.1	58.3	
Unemployment insurance .....	33	64.4	68.3	71.3	65.0	68.7	64.9	64.9	65.0	65.1	68.3	68.5	68.9	69.3	71.3	71.5	71.6	
Other .....	34	58.6	60.4	59.0	63.1	64.6	63.3	63.3	63.0	62.8	63.6	64.3	64.9	65.5	61.0	61.5	61.8	
Rest of the world .....	35	15.6	17.0	17.4	17.2	18.1	16.9	17.1	17.2	17.4	17.8	18.1	18.2	18.3	18.3	18.3	18.3	
Rest of the world .....	36	5.8	6.1	6.3	5.3	5.5	5.3	5.3	5.3	5.4	5.4	5.4	5.5	5.6	5.6	5.7	5.7	
Income receipts on assets .....	37	129.8	106.9	61.0	164.5	69.8	74.1	299.6	93.4	191.0	73.8	74.4	75.3	55.8	57.0	58.3	59.6	
Interest receipts .....	38	22.9	27.4	31.3	23.4	24.8	23.3	23.4	23.6	23.5	23.7	24.3	25.1	26.2	27.4	28.6	30.0	
Dividends .....	39	97.0	69.2	19.3	131.2	34.7	41.4	266.6	59.3	157.4	39.8	39.8	39.8	19.3	19.3	19.3	19.3	
Rents and royalties .....	40	9.8	10.3	10.4	9.9	10.3	9.3	9.6	10.4	10.1	10.2	10.3	10.3	10.4	10.4	10.4	10.4	
Current transfer receipts .....	41	57.3	59.9	66.9	54.6	56.5	53.9	57.4	51.0	56.3	55.8	54.7	54.8	60.7	62.2	62.5	62.4	
From business .....	42	36.2	39.4	44.8	34.2	36.3	33.5	37.1	30.6	35.8	35.4	34.5	34.7	40.7	40.1	40.7	41.1	
From persons .....	43	21.0	20.5	22.0	20.4	20.2	20.4	20.3	20.4	20.5	20.3	20.2	20.1	20.0	22.1	21.8	21.3	
Current surplus of government enterprises .....	44	-12.1	-26.6	-11.3	-24.7	-30.9	-20.6	-23.8	-25.9	-28.6	-29.5	-31.5	-31.9	-30.9	-29.1	-28.5	-29.0	
Postal Service .....	45	-3.6	-5.0	-4.8	-3.5	-2.2	-3.6	-3.4	-3.4	-3.7	-0.9	-1.3	-2.3	-4.1	-7.2	-9.2	-10.0	
Federal Housing Administration .....	46	-8.5	-21.0	-6.3	-21.3	-28.6	-17.6	-20.5	-22.4	-24.6	-28.3	-29.9	-29.4	-26.8	-22.0	-19.5	-19.3	
Tennessee Valley Authority .....	47	1.3	1.8	2.0	1.5	1.9	1.3	1.4	1.6	1.7	1.8	1.9	2.0	2.0	1.9	1.9	1.8	
Other .....	48	-1.3	-2.4	-2.2	-1.4	-2.1	-0.7	-1.3	-1.7	-2.0	-2.1	-2.2	-2.2	-2.0	-1.8	-1.6	-1.5	
<b>Current expenditures</b> .....	<b>49</b>	<b>3,772.3</b>	<b>3,956.5</b>	<b>4,157.4</b>	<b>3,792.9</b>	<b>3,968.4</b>	<b>3,753.2</b>	<b>3,820.1</b>	<b>3,825.7</b>	<b>3,772.5</b>	<b>3,893.6</b>	<b>3,950.6</b>	<b>3,995.5</b>	<b>4,034.0</b>	<b>4,113.8</b>	<b>4,125.5</b>	<b>4,156.9</b>	
Consumption expenditures .....	50	969.9	993.5	1,029.6	971.0	997.2	982.3	976.0	972.4	953.4	978.5	998.7	1,002.8	1,008.9	1,020.0	1,018.9	1,019.4	
National defense .....	51	620.6	620.6	632.2	612.0	628.9	619.7	615.7	614.9	597.8	618.8	633.9	632.0	630.9	636.5	631.6	629.7	
Pay raises and locality pay .....	52	.....	1.3	2.9	.....	1.7	.....	.....	.....	.....	1.6	1.7	1.7	1.7	3.2	3.3	3.3	
January 2014 .....	53	.....	1.3	1.7	.....	1.7	.....	.....	.....	.....	1.6	1.7	1.7	1.7	1.7	1.7	1.7	
January 2015 .....	54	.....	.....	1.2	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	1.5	1.6	1.6	
Other .....	55	620.6	619.4	629.3	612.0	627.2	619.7	615.7	614.9	597.8	617.2	632.2	630.3	629.2	633.3	628.3	626.4	
Nondefense .....	56	349.3	372.9	397.5	359.0	368.3	362.6	360.3	357.5	355.6	359.7	364.7	370.8	377.9	383.4	387.3	389.7	
Pay raises and locality pay .....	57	.....	0.8	2.0	.....	1.1	.....	.....	.....	.....	1.0	1.1	1.1	1.1	1.9	2.4	2.4	
January 2014 .....	58	.....	0.8	1.1	.....	1.1	.....	.....	.....	.....	1.0	1.1	1.1	1.1	1.0	1.2	1.2	
January 2015 .....	59	.....	.....	0.8	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	0.9	1.2	1.2	
Other .....	60	349.3	372.1	395.5	359.0	367.2	362.6	360.3	357.5	355.6	358.7	363.6	369.7	376.8	381.5	385.0	387.3	
Current transfer payments .....	61	2,318.1	2,462.7	2,595.2	2,349.3	2,490.7	2,327.2	2,347.1	2,372.0	2,350.7	2,444.9	2,476.6	2,508.8	2,532.7	2,591.0	2,594.5	2,617.6	
Government social benefits .....	62	1,826.7	1,911.5	2,008.5	1,856.7	1,958.0												

Table 10. NIPA Federal Government Current Receipts and Expenditures—Table Ends

[Billions of dollars; calendar year and quarters at seasonally adjusted annual rates]

Line	Fiscal year estimates <sup>1</sup>					Calendar year		Quarter									
	2013	2014	2015	Pub- lished <sup>2</sup>	Esti- mated	Published <sup>2</sup>				Estimated							
						2013	2014	2013				2014				2015	
								I	II	III	IV	I	II	III	IV	I	II
Regular.....	65	789.5	823.8	855.0	799.0	831.3	789.8	794.9	802.4	808.9	818.8	827.8	835.8	842.9	850.1	857.6	865.2
Benefit increases.....	66		9.3	21.5		12.4					12.4	12.4	12.4	12.4	24.5	24.5	24.5
January 2014.....	67		9.3	12.4		12.4					12.4	12.4	12.4	12.4	12.4	12.4	12.4
January 2015.....	68			9.1		0.0									12.1	12.1	12.1
Medicare.....	69	581.2	591.4	616.5	592.3	609.3	589.3	586.3	596.5	597.1	600.5	605.4	611.8	619.6	626.5	632.2	636.9
Unemployment benefits.....	70	66.1	44.9	40.5	66.2	42.4	73.9	68.5	62.2	60.2	43.4	41.9	42.1	42.4	42.6	42.8	42.8
Veterans benefits.....	71	73.2	85.3	92.9	80.2	89.7	76.7	79.9	81.5	82.9	86.3	89.0	91.1	92.5	94.0	95.8	97.7
Railroad retirement.....	72	11.6	11.9	12.3	11.7	11.9	11.6	11.7	11.7	11.7	11.8	11.9	12.0	12.1	12.2	12.2	12.3
Military medical insurance.....	73	15.6	16.3	16.6	15.7	17.4	15.7	15.7	15.7	15.9	16.7	17.3	17.7	18.0	18.2	18.4	18.5
Supplemental Nutrition Assistance																	
Program benefits.....	74	76.0	71.9	71.6	74.7	70.7	75.6	75.6	75.4	72.1	71.0	70.5	70.4	70.8	70.9	70.7	70.3
Black lung benefits.....	75	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Supplemental security income.....	76	50.2	52.1	53.6	49.9	51.6	49.2	49.7	50.3	50.4	51.0	51.5	51.9	52.2	52.5	52.9	53.3
Refundable tax credits.....	77	83.6	120.7	141.9	85.5	135.6	85.5	85.5	85.5	85.4	120.0	140.8	140.8	140.8	144.9	144.9	144.9
All other.....	78	60.0	63.5	64.7	62.8	65.0	62.2	62.8	62.7	63.4	64.4	65.0	65.3	65.3	65.5	65.8	66.3
To rest of the world.....	79	19.4	20.1	21.1	18.5	20.4	18.4	18.4	18.7	18.4	18.8	19.8	21.1	21.8	22.2	22.9	23.6
Grants-in-aid to state and local governments	80	451.4	509.8	545.1	444.0	486.0	431.5	445.7	455.7	443.0	468.5	482.4	493.0	500.2	506.6	512.3	517.1
General public service.....	81	3.2	3.2	3.4	2.0	1.2	2.0	2.6	2.2	1.2	1.2	1.2	1.2	1.3	1.3	1.3	1.4
National defense.....	82	0.7	0.8	0.6	0.7	0.7	0.7	0.8	0.7	0.7	0.8	0.8	0.7	0.6	0.6	0.5	0.5
Public order and safety.....	83	7.8	8.1	6.6	6.3	5.3	5.8	6.4	7.2	5.8	5.8	5.6	5.2	4.6	4.2	3.9	3.7
Economic affairs.....	84	12.1	13.4	16.1	11.0	12.6	9.5	12.8	10.9	10.9	11.5	12.2	13.0	13.8	14.5	14.9	15.1
Transportation <sup>3</sup> .....	85	0.2	0.1	0.2	0.1	0.2	0.1	0.2	0.2	0.1	0.1	0.2	0.2	0.2	0.2	0.3	0.3
Space.....	86	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
Other economic affairs.....	87	11.9	13.3	15.9	10.9	12.5	9.4	12.6	10.7	10.8	11.4	12.1	12.8	13.6	14.2	14.6	14.8
General economic and labor affairs.....	88	4.5	5.2	8.1	4.6	6.2	3.8	5.4	4.4	4.8	5.2	5.7	6.5	7.5	8.2	8.7	9.0
Agriculture.....	89	1.3	2.1	1.3	0.9	0.7	0.9	0.8	1.2	0.7	0.9	0.9	0.7	0.3	0.0	-0.2	-0.3
Energy.....	90	1.3	1.1	1.2	0.9	1.1	0.8	1.2	0.8	1.0	1.1	1.2	1.2	1.1	1.1	1.1	1.1
Natural resources.....	91	4.8	4.9	5.4	4.5	4.4	4.0	5.3	4.3	4.3	4.3	4.4	4.4	4.7	4.8	4.9	5.0
Housing and community services.....	92	19.6	24.8	25.4	17.7	20.4	17.2	18.0	17.6	18.0	19.5	20.5	20.8	20.6	20.4	20.2	20.2
Health.....	93	277.0	322.9	348.8	278.7	316.6	271.6	273.8	286.8	282.6	303.8	314.2	321.8	326.7	331.4	335.9	340.2
Medicaid.....	94	264.9	308.0	335.3	266.8	303.9	259.4	262.0	275.2	270.5	290.9	301.0	308.9	314.6	319.9	324.8	329.3
Prescription drug plan clawback.....	95	-8.7	-8.7	-8.7	-8.8	-9.0	-8.9	-8.4	-8.8	-9.0	-9.0	-9.0	-9.0	-9.0	-9.0	-9.0	-9.0
Other.....	96	20.8	23.6	22.3	20.7	21.8	21.2	20.2	20.3	21.1	21.9	22.2	21.9	21.1	20.5	20.1	19.9
Recreation and culture.....	97	0.4	0.5	0.5	0.4	0.5	0.4	0.4	0.5	0.4	0.5	0.5	0.5	0.5	0.5	0.5	0.4
Education.....	98	39.9	43.5	46.4	38.6	42.9	34.4	39.7	40.5	39.8	41.4	42.6	43.6	44.2	44.6	44.9	45.1
Income security.....	99	90.8	92.6	97.4	88.5	85.7	90.0	91.3	89.3	83.6	84.0	84.8	86.1	87.9	89.2	90.1	90.5
Disability.....	100	2.5	2.6	2.8	2.5	2.7	2.5	2.5	2.5	2.6	2.6	2.7	2.7	2.8	2.8	2.8	2.8
Welfare and social services.....	101	77.6	79.1	80.5	76.7	75.4	76.0	78.5	78.1	74.2	74.7	75.2	75.6	76.0	76.3	76.5	76.6
Unemployment.....	102	4.3	3.5	3.5	2.1	1.1	2.3	2.3	2.3	1.6	1.2	1.1	1.0	1.1	1.2	1.2	1.3
Other.....	103	6.4	7.3	10.6	7.2	6.5	9.1	8.0	6.3	5.2	5.3	5.9	6.8	8.0	8.9	9.5	9.8
Other current transfer payments paid to the rest of the world.....	104	40.0	41.4	41.6	48.6	46.7	47.6	52.4	53.5	40.8	61.2	40.8	43.4	41.5	60.0	41.3	43.9
Federal interest paid.....	105	424.3	442.0	478.8	414.4	424.9	386.1	438.4	422.7	410.1	413.1	419.0	427.9	439.8	450.3	459.5	467.5
Subsidies.....	106	60.0	58.2	53.8	58.2	55.5	57.5	58.5	58.6	58.2	57.1	56.3	56.0	52.7	52.6	52.5	52.4
Agricultural.....	107	11.2	6.1	6.1	10.6	7.2	11.0	11.0	11.1	9.3	7.8	7.0	6.8	7.3	7.7	7.9	8.0
Housing.....	108	33.2	34.4	35.8	34.5	36.0	33.9	34.4	34.6	35.0	35.4	35.8	36.2	36.6	36.9	37.1	37.2
Other.....	109	15.6	17.7	11.9	13.1	12.3	12.6	13.1	12.9	14.0	13.9	13.6	13.0	8.7	8.0	7.4	7.1
<b>Net federal government saving ....</b>	<b>110</b>	<b>-758.1</b>	<b>-736.0</b>	<b>-646.4</b>	<b>-752.1</b>	<b>-797.2</b>	<b>-853.1</b>	<b>-653.1</b>	<b>-850.0</b>	<b>-652.1</b>	<b>-823.9</b>	<b>-820.8</b>	<b>-797.4</b>	<b>-746.6</b>	<b>-743.6</b>	<b>-694.8</b>	<b>-673.8</b>
<b>Addenda:</b>																	
Gross investment <sup>4</sup> .....	111	276.5	260.8	261.3	274.8	258.2	272.7	276.6	278.8	271.3	257.5	255.6	259.0	260.6	257.8	261.5	265.1
National defense.....	112	160.6	148.3	144.2	158.7	145.7	156.1	160.5	162.5	155.8	146.5	144.4	146.6	145.3	141.0	143.7	146.8
Nondefense.....	113	116.0	112.5	117.1	116.1	112.5	116.6	116.1	116.3	115.5	111.0	111.2	112.3	115.3	116.8	117.8	118.3
Consumption expenditures and gross investment.....	114	1,246.4	1,254.4	1,290.9	1,245.9	1,255.4	1,255.0	1,252.6	1,251.2	1,224.7	1,236.0	1,254.2	1,261.7	1,269.4	1,277.8	1,280.4	1,284.5
National defense.....	115	781.1	769.0	776.4	770.7	774.6	775.8	776.3	777.3	753.6	765.3	778.3	778.6	776.2	777.6	775.2	776.5
Nondefense.....	116	465.2	485.4	514.5	475.1	480.7	479.2	476.3	473.9	471.1	470.7	475.9	483.1	493.2	500.2	505.2	508.0
Total receipts.....	117	3,032.8	3,235.9	3,528.3	3,060.0	3,192.3	2,917.7	3,184.8	2,995.4	3,142.2	3,090.7	3,150.4	3,219.1	3,309.0	3,392.9	3,454.0	3,506.9
Current receipts.....	118	3,014.1	3,220.4	3,511.0	3,040.8	3,171.2	2,900.1	3,166.9	2,975.8	3,120.3	3,069.7	3,129.8	3,198.1	3,287.3	3,370.3	3,430.7	3,483.1
Capital transfer receipts.....	119	18.7	15.5	17.2	19.2	21.1	17.6	17.8	19.6	21.9	21.0	20.6	21.0	21.7	22.6	23.3	23.8
Total expenditures.....	120	3,870.2	4,020.7	4,222.8	3,877.1	4,022.0	3,843.1	3,905.3	3,916.7	3,843.5	3,947.7	4,002.1	4,048.1	4,089.9	4,168.4	4,184.8	4,220.5
Current expenditures.....	121	3,772.3	3,956.5	4,157.4	3,792.9	3,968.4	3,753.2	3,820.1	3,825.7	3,772.5	3,893.6	3,950.6	3,995.5	4,034.0	4,113.8	4,125.5	4,156.9
Gross government investment.....	122	276.5	260.8	261.3	274.8	258.2	272.7	276.6	278.8	271.3	257.5	255.6	259.0	260.6	257.8	261.5	265.1
Capital transfer payments.....	123	90.5	76.7	81.0	77.9	69.4	83.4	76.2	81.1	71.0	68.9	69.1	67.4	72.1	73.2	73.9	74.1
Net purchases of nonproduced assets.....	124	-3.1	-2.0	-4.9	-1.0	-2.1	-0.6	-0.8	-1.1	-1.3	-1.3	-1.3	-1.3	-4.3	-4.3	-4.3	-4.3
Less: Consumption of fixed capital.....	125	266.0	271.3	271.9	267.5	271.9	265.6	266.8	267.8	269.9	271.0	271.8	272.5	272.4	272.2	271.8	271.3
Net lending or net borrowing (-).....	126	-837.3	-784.8	-694.5	-817.1	-829.7	-925.4	-720.5	-921.3	-701.2	-857.0	-851.6	-829.0	-780.9	-775.5	-730.8	-713.7

1. The fiscal year estimates are the sum of quarterly estimates that are not seasonally adjusted and that are consistent with the budget proposals.

2. These estimates are published in the NIPA tables 3.2 and 3.9.5 in this issue.

3. Most transportation grants-in-aid to state and local governments are classified as capital transfers paid (see the addenda), but water and railroad transportation grants are still classified as current-account transactions.

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

Sources: *Budget of the United States Government, Fiscal Year 2015* and the Bureau of Economic Analysis.

NOTE: The fiscal year and quarterly estimates of NIPA receipts and expenditures differ from the fiscal year and quarterly estimates displayed in *Analytical Perspectives: Budget of the United States Government, Fiscal Year 2015* because additional data were incorporated after the budget was released.

FICA Federal Insurance Contributions Act  
SECA Self-Employment Contributions Act  
NIPAs National income and product accounts

receipts estimates are based on the administration's projected pattern of wages, while cost-of-living increases for social security and other programs are incorporated in the first quarter of calendar years.

NIPA estimates of net federal government saving reflect the difference between current receipts and current expenditures. Net saving is projected to become more negative in the first quarter of 2014 and to become gradually less negative in each subsequent quarter.

### Updated estimates

The quarterly projections of federal government receipts and expenditures that are presented in this article are prepared from budget data that are based on economic assumptions about the budget year and should be viewed as approximations. These estimates will be updated during the year as new laws are enacted, as actual spending occurs, as economic conditions change, and as more source data become available. More reliable contemporaneous estimates will be published monthly in NIPA table 3.2 and related underlying tables.

### 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, information on the effects of budget proposals from the Department of the Treasury's Office of Tax Analysis, and information included in the *Appendix* of the budget are used to allocate budget receipts into the following major categories of 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.

When monthly and quarterly NIPA estimates are released by BEA, 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*.

### 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.

When quarterly NIPA estimates are released by BEA, fiscal year relationships derived from budget data are used to allocate spending that is reported 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 no quarterly source data are available. 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.

#### Effects of the Affordable Care Act on Federal Government Receipts and Expenditures

The effects of several provisions of the Affordable Care Act (ACA) on the quarterly pattern of federal current receipts and expenditures can be seen in the transactions in table 10. These effects include the following.

**Health Insurance Premium Tax Credits.** Assistance to qualified individuals who purchase health insurance through the public exchanges established by the ACA will be provided through refundable tax credits, which can be prepaid. These credits are included in refundable tax credits (line 77), beginning in the first quarter of 2014.

**Medicaid expansion.** Funding to the states that elected to expand Medicaid eligibility as allowed by the ACA are included in Medicaid grants-in-aid to state and local gov-

ernments (line 94), beginning in the first quarter of 2014.

**Excise taxes.** New taxes on health insurance providers are included in taxes on production and imports (line 10), beginning in the first quarters of 2014.

**Individual mandate penalties.** Penalties on individuals who do not obtain health insurance for themselves and their dependents in calendar year 2014 are included in transfer receipts from persons (line 43). The effect of these penalties, which largely will be paid as part of 2014 tax filings, begin in the first quarter of 2015; however, a small amount of penalty payments for self-employed persons who file estimated quarterly taxes are included in current transfer receipts for calendar year 2014.

### 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.<sup>1</sup>

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 (receipts) in the budget are recorded as receipts (expenditures) 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 and certain intangible assets. 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.<sup>2</sup> 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.<sup>3</sup> Capital transfers include transactions such as certain investment grants-in-aid to state and local governments, investment subsidies to businesses, lump-sum payments to amortize the unfunded liabilities 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 bene-

fits 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.
  - **Federal employee pension and insurance funds.** In the budget, employee retirement trust funds are treated as part of the federal budget and are largely accounted for on a cash basis. In the NIPAs, pension funds are treated as separate institutional units in the financial corporations sector, pension contributions and entitlements are recorded on an accrual basis, and unfunded pension entitlements are treated as liabilities of the government with an associated interest expense. Government employee contributions to pension funds, which are included in budget receipts, are excluded from NIPA federal government receipts because these contributions are paid into pension funds. Similarly, federal employee retirement benefit payments, which are included in budget outlays, are excluded from NIPA current expenditures because these benefits are paid from pension fund assets.<sup>4</sup>
  - **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 an accrual measure of contributions for military and civilian retirement benefits as defense consumption expenditures. These retirement funds are classified as part of the pension subsector of the corporate financial sector; therefore, contributions into these funds are excluded from government receipts. The budget records retirement contribution payments and the receipts of the contributions by the retirement funds 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.

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 93 (September 2013): 52–53. 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.

4. For more information about the treatment of pension plans in the NIPAs, see “Preview of the 2013 Comprehensive Revision of the National Income and Product Accounts,” SURVEY 93 (March 2013): 21–25.