

Government Receipts and Expenditures

Second Quarter of 2015

NET GOVERNMENT saving, the difference between current receipts and current expenditures of the federal government and state and local governments, was $-\$745.8$ billion in the second quarter of 2015, decreasing $\$16.1$ billion from $-\$729.7$ billion in the first quarter of 2015.

Net federal government saving was $-\$593.6$ billion in the second quarter, decreasing $\$14.3$ billion from $-\$579.3$ billion in the first quarter (see page 2). Current receipts and current expenditures accelerated in the second quarter.

Net state and local government saving was $-\$152.2$ billion in the second quarter, decreasing $\$1.8$ billion from $-\$150.4$ billion in the first quarter (see page 3). Current receipts and current expenditures accelerated in the second quarter.

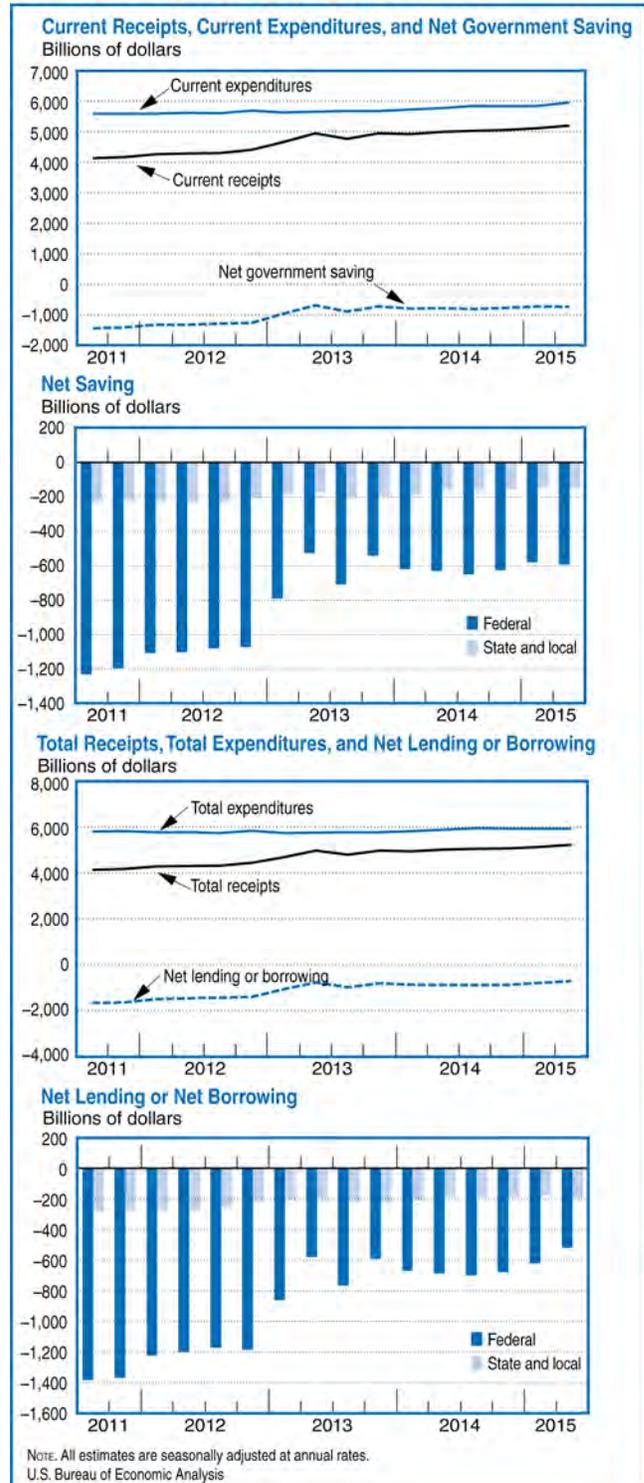
“Net lending or net borrowing (–)” is an alternative measure of the government fiscal position. Net borrowing is the financing requirement of the government sector, and it is derived as net government saving plus the consumption of fixed capital and net capital transfers received less gross investment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

Net borrowing was $\$711.6$ billion in the second quarter, decreasing $\$83.3$ billion from $\$794.9$ billion in the first quarter. Federal government net borrowing was $\$516.9$ billion in the second quarter, decreasing $\$103.7$ billion from $\$620.6$ billion in the first quarter. State and local government net borrowing was $\$194.7$ billion, increasing $\$20.4$ billion from $\$174.3$ 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			
	2015		2014		2015	
	II	III	IV	II	II	
Current receipts	5,200.4	44.6	16.6	64.7	87.4	
Current expenditures	5,946.1	70.5	-17.5	12.4	103.4	
Net government saving	-745.8	-25.9	34.2	52.2	-16.1	
Federal	-593.6	-20.1	23.4	47.4	-14.3	
State and local	-152.2	-5.7	10.8	4.8	-1.8	
Net lending or net borrowing (-)	-711.6	-18.3	21.8	69.4	83.3	
Federal	-516.9	-15.0	22.2	55.7	103.7	
State and local	-194.7	-3.4	-0.3	13.7	-20.4	

Chart 1. Government Fiscal Position



Federal Government

Table 2. Federal Government Current Receipts and Expenditures

[Billions of dollars, seasonally adjusted at annual rates]

	Level		Change from preceding quarter		
	2015		2014		2015
	I	II	III	IV	I
Current receipts	3,420.8	37.1	2.3	60.8	64.3
Current tax receipts	2,134.0	19.5	25.9	69.5	48.9
Personal current taxes	1,516.0	26.3	35.2	59.3	15.0
Taxes on production and imports	145.2	1.9	-0.2	1.7	4.7
Taxes on corporate income	448.0	-10.7	-8.0	5.1	29.0
Taxes from the rest of the world	24.7	2.1	-1.2	3.4	0.1
Contributions for government social insurance ..	1,177.0	11.7	14.4	8.7	4.8
Income receipts on assets	45.4	-17.4	4.8	-16.8	-0.3
Current transfer receipts	72.4	23.1	-42.7	-2.2	10.8
Current surplus of government enterprises	-8.0	0.3	-0.2	1.7	0.1
Current expenditures	4,014.4	57.2	-21.1	13.4	78.6
Consumption expenditures	957.3	17.3	-19.1	7.6	0.6
National defense	595.2	12.5	-20.0	4.8	0.0
Nondefense	362.1	4.8	0.8	2.9	0.6
Current transfer payments	2,541.9	41.9	12.3	55.4	2.5
Government social benefits	1,974.9	10.7	12.8	37.2	19.4
To persons	1,954.9	10.7	12.8	36.9	19.2
To the rest of the world	20.0	0.1	0.1	0.2	0.2
Other current transfer payments	567.1	31.1	-0.4	18.2	-16.8
Grants-in-aid to state and local governments	520.2	29.9	-1.6	13.0	-5.3
To the rest of the world	46.8	1.3	1.1	5.2	-11.6
Interest payments	457.2	-2.3	-13.6	-49.7	74.6
Subsidies	57.9	0.3	-0.7	0.1	0.8
Net federal government saving	-593.6	-20.1	23.4	47.4	-14.3
Social insurance funds	-301.9	2.1	3.7	-17.0	-7.8
Other	-291.7	-22.2	19.6	64.4	-6.4
Addenda:					
Total receipts	3,440.8	36.1	2.0	62.2	65.1
Current receipts	3,420.8	37.1	2.3	60.8	64.3
Capital transfer receipts	20.0	-1.0	-0.3	1.4	0.8
Total expenditures	3,957.7	51.0	-20.2	6.5	-38.6
Current expenditures	4,014.4	57.2	-21.1	13.4	78.6
Gross government investment	263.4	-1.1	0.7	-4.1	1.9
Capital transfer payments	72.7	0.5	-4.2	-3.3	1.0
Net purchases of nonproduced assets	-121.6	-4.7	5.2	0.6	-120.9
Less: Consumption of fixed capital	271.2	1.0	0.7	0.1	-0.8
Net lending or net borrowing (-)	-516.9	-15.0	22.2	55.7	103.7

Personal current taxes decelerated in the second quarter, primarily the result of a deceleration in nonwithheld income taxes.

Taxes on production and imports accelerated in the second quarter, reflecting an upturn in custom duties.

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

Income receipts on assets decreased less than in the first quarter, reflecting the pattern of dividend payments from Fannie Mae and Freddie Mac.

Current transfer receipts turned up, reflecting payments of fines by both domestic and foreign banks for legal settlements.

Consumption expenditures decelerated, reflecting decelerations in both defense and nondefense spending.

Government social benefits to persons decelerated in the second quarter following a first-quarter 1.7 percent cost-of-living adjustment to social security and other benefit payments. The deceleration was also attributable to a deceleration in payments of health insurance premium tax credits related to the Affordable Care Act and to a downturn in unemployment benefits.

Other current transfer payments to the rest of the world turned down in the second quarter. The first-quarter estimate was boosted by military grants to Israel and Egypt.

Interest payments turned up sharply, reflecting an acceleration in inflation expense payments on Treasury Inflation-Protected Securities.

Net purchases of nonproduced assets turned down sharply, reflecting increased receipts from radio spectrum auctions.

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 available monthly in NIPA table 3.2. Detailed annual estimates of these transactions by component are available in NIPA tables 3.4–3.8,

3.12, and 3.13, and quarterly estimates for selected series are available in NIPA 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.

All the estimates are available in [interactive tables](#) on BEA's Web site.

1. See Mark S. Ludwick and Bnyam Tseyhaye, "NIPA Translation of the Fiscal Year 2016 Federal Budget," *SURVEY OF CURRENT BUSINESS* 95 (March 2015).

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			
	2015		2014		2015	
	II	III	IV	II	II	
Current receipts	2,299.8	37.4	12.8	16.9	17.8	
Current tax receipts	1,565.3	22.5	17.7	1.8	18.9	
Personal current taxes	411.1	11.8	11.5	2.0	12.0	Personal current taxes accelerated in the second quarter because of an acceleration in personal income taxes.
Taxes on production and imports	1,094.3	9.6	5.4	-1.8	8.0	
Taxes on corporate income	59.9	1.3	0.7	1.7	-1.2	
Contributions for government social insurance	18.8	0.0	-0.1	0.0	0.0	Federal grants-in-aid turned down in the second quarter, primarily driven by a downturn in Medicaid grants.
Income receipts on assets	77.8	0.4	0.6	0.6	0.7	
Current transfer receipts	646.0	14.8	-5.5	14.2	-2.2	Consumption expenditures turned up in the second quarter, reflecting an upturn in intermediate goods and services purchased.
Federal grants-in-aid	520.2	29.9	-1.6	13.0	-5.3	
Other	123.9	5.7	-3.9	1.2	1.2	
Current surplus of government enterprises	-8.1	-0.3	-0.1	0.4	0.4	Government social benefits decelerated in the second quarter as a result of a deceleration in Medicaid benefits.
Current expenditures	2,452.0	43.2	1.9	12.1	19.6	
Consumption expenditures	1,608.1	12.3	-1.0	-10.0	8.6	
Government social benefits	655.4	32.6	1.8	17.5	7.7	Gross government investment turned up reflecting an upturn in spending for structures.
Interest payments	187.9	-1.9	1.2	4.6	3.2	
Subsidies	0.5	0.0	0.0	0.0	0.0	
Net state and local government saving	-152.2	-5.7	10.8	4.8	-1.8	
Social insurance funds	3.9	0.0	-0.2	-0.1	-0.1	
Other	-156.0	-5.8	10.9	5.0	-1.6	
Addenda:						
Total receipts	2,368.4	40.4	5.0	18.8	17.4	
Current receipts	2,299.8	37.4	12.8	16.9	17.8	
Capital transfer receipts	68.7	3.0	-7.7	1.8	-0.3	
Total expenditures	2,563.1	43.8	5.3	5.0	37.9	
Current expenditures	2,452.0	43.2	1.9	12.1	19.6	
Gross government investment	350.5	2.5	4.5	-6.5	18.7	
Capital transfer payments						
Net purchases of nonproduced assets	9.7	0.1	-0.1	-0.1	-0.1	
Less: Consumption of fixed capital	249.1	1.9	1.1	0.5	0.3	
Net lending or net borrowing (-)	-194.7	-3.4	-0.3	13.7	-20.4	

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. For a historical time series of reconciliations of the NIPA estimates with the Census Bureau data from Government Finances, see NIPA table 3.19.

Annual estimates of receipts and expenditures of state governments and of local governments are available in NIPA table 3.20 (state government receipts and expenditures) and in NIPA table 3.21 (local government receipts and expenditures).¹

All the estimates are available in [interactive tables](#) on BEA's Web site.

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