

# Government Receipts and Expenditures

## First Quarter of 2012

NET GOVERNMENT saving, the difference between current receipts and current expenditures of the federal government and state and local governments, was  $-\$1,086.6$  billion in the first quarter of 2012, increasing  $\$108.9$  billion from  $-\$1,195.5$  billion in the fourth quarter of 2011.

Net federal government saving was  $-\$998.9$  billion in the first quarter, increasing  $\$115.2$  billion from  $-\$1,114.1$  billion in the fourth quarter (see page 12). Current receipts accelerated, while current expenditures turned up in the fourth quarter.

Net state and local government saving was  $-\$87.7$  billion in the first quarter, decreasing  $\$6.2$  billion from  $-\$81.5$  billion in the fourth quarter (see page 13). Both current receipts and current expenditures turned up in the first quarter.

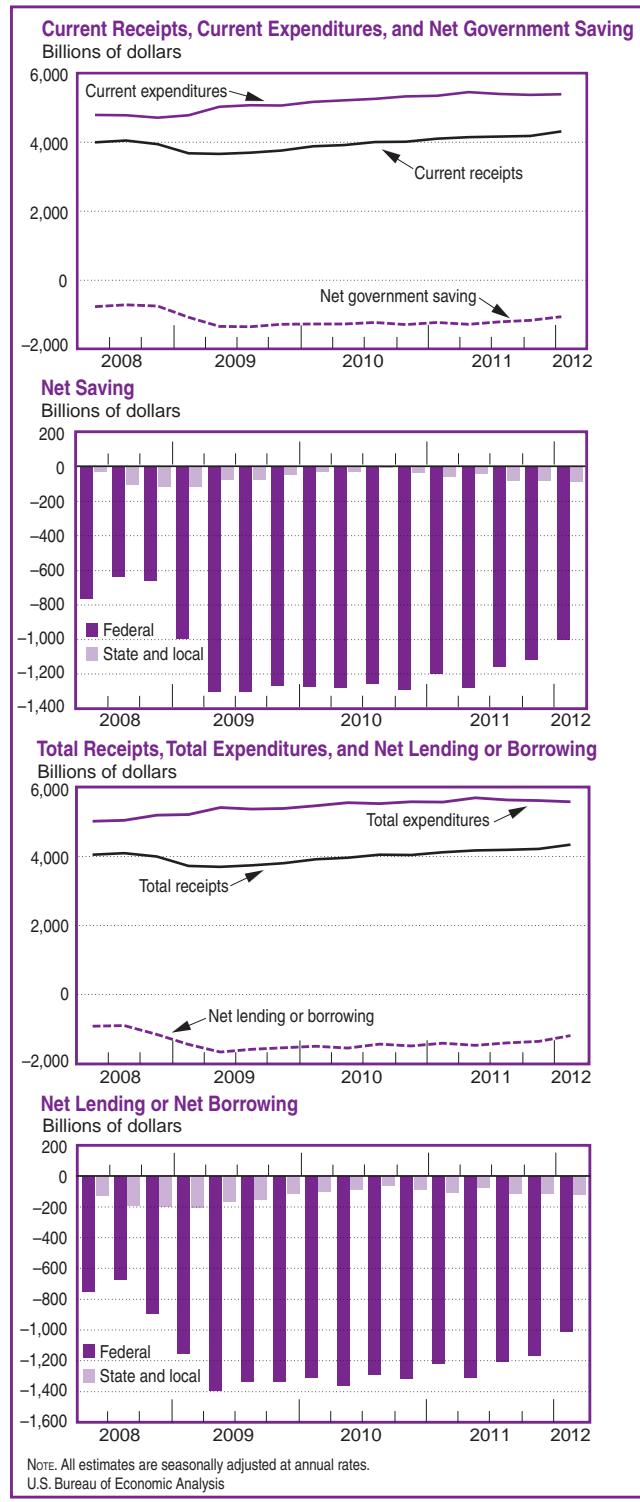
"Net lending or net borrowing (-)" is an alternative measure of the government fiscal position. Net borrowing is the financing requirement of the government sector, and it is derived as net government saving plus the consumption of fixed capital and net capital transfers received less gross investment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

Net borrowing was  $\$1,252.4$  billion in the first quarter, decreasing  $\$165.2$  billion from  $\$1,417.6$  billion in the fourth quarter. Federal government net borrowing was  $\$1,120.6$  billion in the first quarter, decreasing  $\$170.0$  billion from  $\$1,290.6$  billion in the fourth quarter. State and local government net borrowing was  $\$131.8$  billion, increasing  $\$4.9$  billion from  $\$126.9$  billion in the fourth 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			
	2012	2011		2012	
	I	II	III	IV	I
Current receipts .....	4,320.4	48.4	20.6	15.7	129.7
Current expenditures .....	5,407.0	105.7	-51.1	-32.6	20.7
<b>Net government saving .....</b>	<b>-1,086.6</b>	<b>-57.3</b>	<b>71.7</b>	<b>48.4</b>	<b>108.9</b>
Federal .....	-998.9	-74.3	114.7	46.6	115.2
State and local.....	-87.7	17.0	-43.0	1.7	-6.2
<b>Net lending or net borrowing (-) .....</b>	<b>-1,252.4</b>	<b>-68.9</b>	<b>74.7</b>	<b>43.1</b>	<b>165.2</b>
Federal .....	-1,120.6	-96.6	114.7	44.1	170.0
State and local.....	-131.8	27.7	-39.9	-1.0	-4.9

**Chart 1. Government Fiscal Position**



Stan J. Bellotti 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				
		2011		2012		
		I	II	III	IV	I
<b>Current receipts .....</b>	<b>2,711.1</b>	<b>26.2</b>	<b>29.4</b>	<b>10.3</b>	<b>117.3</b>	
Current tax receipts .....	1,654.7	19.4	14.4	6.5	101.1	Personal current taxes accelerated as a result of accelerations in both withheld and nonwithheld income taxes.
Personal current taxes.....	1,115.5	18.6	17.9	9.1	23.1	
Taxes on production and imports .....	116.4	5.3	0.3	-0.1	4.2	Taxes on corporate income turned up in the first quarter following the expiration at the end of 2011 of the 100 percent bonus depreciation deduction for qualified business investment.
Taxes on corporate income .....	408.3	-5.4	-5.5	-1.8	75.6	
Taxes from the rest of the world .....	14.5	1.0	1.7	-0.7	-1.8	
Contributions for government social insurance .....	932.2	5.7	14.8	3.9	13.2	Contributions for government social insurance accelerated. Social security contributions were boosted \$3.1 billion as a result of an increase in the maximum taxable wage base from \$106,800 to \$110,100.
Income receipts on assets.....	60.5	0.3	0.6	0.8	4.2	
Current transfer receipts.....	66.7	-0.7	-0.5	0.3	-0.5	
Current surplus of government enterprises .....	-2.9	1.5	0.1	-1.3	-0.5	
<b>Current expenditures.....</b>	<b>3,710.0</b>	<b>100.5</b>	<b>-85.3</b>	<b>-36.4</b>	<b>2.2</b>	
Consumption expenditures .....	1,066.4	18.4	7.4	-18.0	-0.5	Consumption expenditures decreased less, reflecting a smaller decrease in defense spending. In contrast, nondefense spending decelerated.
National defense .....	708.3	22.4	9.8	-23.3	-1.6	
Nondefense .....	358.0	-4.0	-2.4	5.3	1.0	
Current transfer payments .....	2,286.1	34.2	-57.9	-14.3	11.4	
Government social benefits.....	1,775.7	12.8	8.3	1.2	11.9	Government social benefits to persons accelerated. A 3.6 percent cost-of-living adjustment boosted benefits for social security, veterans' pensions, supplemental security income and other programs by \$30.2 billion.
To persons.....	1,758.2	12.4	8.1	1.4	11.2	
To the rest of the world.....	17.5	0.4	0.3	-0.3	0.7	
Other current transfer payments.....	510.4	21.4	-66.3	-15.4	-0.5	
Grants-in-aid to state and local governments .....	449.4	13.2	-57.1	-13.5	-7.7	
To the rest of the world.....	61.1	8.1	-9.1	-2.1	7.4	
Interest payments .....	295.7	44.8	-36.2	-4.3	-6.6	
Subsidies .....	61.9	3.0	1.6	0.1	-2.0	A reduction in refundable tax credits trimmed benefits by \$16.7 billion.
Less: Wage accruals less disbursements .....	0.0	0.0	0.0	0.0	0.0	
<b>Net federal government saving .....</b>	<b>-998.9</b>	<b>-74.3</b>	<b>114.7</b>	<b>46.6</b>	<b>115.2</b>	
Social insurance funds .....	-287.2	-1.3	12.4	3.4	-12.5	
Other.....	-711.7	-73.0	102.3	43.2	127.7	Other current transfer payments to the rest of the world turned up. First quarter transfers were boosted \$1.9 billion (\$7.4 at an annual rate), because of economic support grants to Israel.
<b>Addenda:</b>						
<b>Total receipts .....</b>	<b>2,723.7</b>	<b>30.3</b>	<b>25.3</b>	<b>20.5</b>	<b>118.2</b>	
Current receipts .....	2,711.1	26.2	29.4	10.3	117.3	
Capital transfer receipts .....	12.6	4.2	-4.2	10.3	0.8	
<b>Total expenditures.....</b>	<b>3,844.3</b>	<b>126.9</b>	<b>-89.4</b>	<b>-23.5</b>	<b>-51.9</b>	
Current expenditures.....	3,710.0	100.5	-85.3	-36.4	2.2	
Gross government investment .....	152.5	-1.3	4.4	-5.5	-6.0	
Capital transfer payments .....	125.8	30.3	-5.7	19.3	-44.8	Capital transfer payments turned down in the first quarter, reflecting capital injected into Fannie Mae and Freddie Mac following fourth quarter financial results. About \$4.7 billion (\$18.9 billion at an annual rate) was provided to Fannie Mae and Freddie Mac, a decrease of \$36.2 billion at an annual rate.
Net purchases of nonproduced assets .....	-0.5	-0.5	-0.4	0.8	-0.7	
Less: Consumption of fixed capital .....	143.5	2.2	2.4	1.8	2.5	
<b>Net lending or net borrowing (-) .....</b>	<b>-1,120.6</b>	<b>-96.6</b>	<b>114.7</b>	<b>44.1</b>	<b>170.0</b>	

### 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 in underlying NIPA tables at [www.bea.gov/national/nipaweb/nipa\\_underlying/Index.asp](http://www.bea.gov/national/nipaweb/nipa_underlying/Index.asp).

Each year, BEA translates the information in the federal budget into a NIPA framework.<sup>1</sup> For a historical time series of these estimates, see NIPA table 3.18B, which was published in the October 2011 SURVEY.

1. See Mark S. Ludwick and Stan J. Bellotti, "NIPA Translation of the Fiscal Year 2013 Federal Budget," SURVEY OF CURRENT BUSINESS 92 (March 2012): 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				
		2011		2012		
		I	II	III	IV	I
<b>Current receipts.....</b>	<b>2,058.7</b>	<b>35.5</b>	<b>-65.9</b>	<b>-8.0</b>	<b>4.6</b>	
Current tax receipts.....	1,379.9	22.8	-10.8	4.8	11.7	Personal current taxes accelerated in the first quarter, because of an acceleration in personal income taxes.
Personal current taxes.....	332.5	11.8	-5.0	1.3	5.4	Taxes on production and imports accelerated as a result of an acceleration in sales taxes.
Taxes on production and imports.....	996.5	8.4	-1.3	3.2	5.5	
Taxes on corporate income.....	50.9	2.7	-4.6	0.3	0.8	
Contributions for government social insurance.....	21.9	0.3	0.1	0.1	0.1	Federal grants-in-aid decreased less in the first quarter than in the fourth quarter because of an upturn in health grants that was partly offset by a downturn in public order and safety grants.
Income receipts on assets.....	89.4	-1.5	0.5	-0.3	0.1	
Current transfer receipts.....	583.3	14.3	-55.6	-11.7	-5.8	
Federal grants-in-aid.....	449.4	13.2	-57.1	-13.5	-7.7	
Other.....	134.0	1.1	1.5	1.8	2.0	Consumption expenditures turned up in the first quarter, reflecting an acceleration in compensation of general government employees, and upturns in expenditures for nondurable goods and for services.
Current surplus of government enterprises.....	-15.8	-0.4	-0.1	-0.9	-1.5	
<b>Current expenditures.....</b>	<b>2,146.4</b>	<b>18.5</b>	<b>-22.9</b>	<b>-9.7</b>	<b>10.8</b>	
Consumption expenditures.....	1,479.2	11.2	-6.8	-6.0	9.1	
Government social benefits.....	545.9	6.8	-18.8	-5.1	-0.6	Government social benefits decreased less in the first quarter as a result of a smaller decrease in Medicaid benefits and an upturn in other social benefit payments.
Interest payments.....	120.8	0.8	2.6	1.5	2.2	
Subsidies.....	0.5	-0.5	0.0	0.1	0.0	
Less: Wage accruals less disbursements....	0.0	0.0	0.0	0.0	0.0	
<b>Net state and local government saving.....</b>	<b>-87.7</b>	<b>17.0</b>	<b>-43.0</b>	<b>1.7</b>	<b>-6.2</b>	
Social insurance funds.....	2.3	0.2	0.0	0.0	-0.1	
Other.....	-90.0	17.0	-43.1	1.8	-6.2	
<b>Addenda:</b>						
<b>Total receipts.....</b>	<b>2,128.1</b>	<b>38.9</b>	<b>-62.4</b>	<b>-9.9</b>	<b>-3.3</b>	
Current receipts.....	2,058.7	35.5	-65.9	-8.0	4.6	
Capital transfer receipts.....	69.4	3.4	3.5	-1.9	-7.9	Capital transfer receipts decreased more in the first quarter than in the fourth quarter, primarily reflecting a larger decrease in transit and railroad grants, and a downturn in housing and community service grants.
<b>Total expenditures.....</b>	<b>2,259.9</b>	<b>11.2</b>	<b>-22.4</b>	<b>-9.0</b>	<b>1.6</b>	
Current expenditures.....	2,146.4	18.5	-22.9	-9.7	10.8	
Gross government investment.....	320.1	-4.2	3.7	4.1	-6.3	
Capital transfer payments.....	.....	.....	.....	.....	.....	
Net purchases of nonproduced assets.....	15.9	0.3	0.2	0.1	0.1	
Less: Consumption of fixed capital.....	222.5	3.4	3.5	3.4	3.0	
<b>Net lending or net borrowing (-).....</b>	<b>-131.8</b>	<b>27.7</b>	<b>-39.9</b>	<b>-1.0</b>	<b>-4.9</b>	

### 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 in underlying NIPA tables at [www.bea.gov/national/nipaweb/nipa\\_underlying/Index.asp](http://www.bea.gov/national/nipaweb/nipa_underlying/Index.asp). 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.<sup>1</sup> 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 2011 SURVEY.

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