

## Federal Personal Income Tax Liabilities and Payments for 1959–2003

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Each year, the Bureau of Economic Analysis updates the estimates of Federal personal income tax liabilities and of Federal personal income tax payments.<sup>1</sup> The estimates of income tax liabilities and payments for 2003 are new, and the estimates of income tax payments for 2002 have been revised. The estimates incorporate the results of the 2005 annual revision of the national income and product accounts and newly available tax return data for 2003 from the Internal Revenue Service.

For 2002, Federal personal income tax payments exceed tax liabilities by \$30.3 billion. The difference between income tax liabilities and payments can be partly accounted for by a slowdown in U.S. economic activity and by the Job Creation and Worker Assistance Act of 2002.<sup>2</sup>

1. For details about the estimates of tax liabilities and payments, see Mark A. Ledbetter, "Federal Personal Income Tax Liabilities and Payments, for 1959–2001," SURVEY OF CURRENT BUSINESS 84 (June 2004): 17–20.

2. For more information on the provisions of this act, see Ledbetter, "Federal Personal Income Tax Liabilities and Payments for 1959–2002," SURVEY 84 (December 2004): 33.

For 2003, personal income tax payments exceeded personal income tax liabilities by \$27.9 billion. Personal tax liabilities decreased \$53.8 billion in 2003. The decrease can be partly attributed to the Economic Growth and Tax Relief Reconciliation Act of 2003.<sup>3</sup> As a result of the retroactive provisions of this act, personal tax payments withheld for January 1 to May 28, 2003, were overstated, and tax payments on certain capital gains and dividends for May 6 to May 28, 2003, were also overstated. As a result of the effects of this act and the Trade Act of 2002, net advance payments for 2003 were \$14.2 billion.<sup>4</sup>

3. The Economic Growth and Tax Relief Reconciliation Act of 2003, effective on May 28, 2003, accelerated the tax reductions in the Economic Growth and Tax Relief Act of 2001, increased the exemption for the alternative minimum tax, and included specific adjustments for married taxpayers filing joint tax returns.

4. The Jobs and Growth Tax Relief Reconciliation Act of 2003 provided advance payments of \$400 per child because of an increase in the child tax credit from \$600 to \$1,000. The Trade Act of 2002 allowed certain trade-impacted workers and recipients of the Pension and Benefit Guaranty Corporation to receive advance Health Coverage Tax Credit payments to help cover the cost of health plan premiums.

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[Billions of dollars]

	Federal personal income taxes				Federal personal income taxes		
	Liabilities basis <sup>1</sup>	Payments basis <sup>2</sup>	Difference		Liabilities basis <sup>1</sup>	Payments basis <sup>2</sup>	Difference
1959.....	39.0	38.5	0.5	1982.....	280.2	295.0	-14.8
1960.....	39.9	41.8	-1.9	1983.....	277.8	286.2	-8.4
1961.....	42.7	42.7	0.0	1984.....	306.7	301.4	5.3
1962.....	45.4	46.5	-1.1	1985.....	331.5	336.0	-4.5
1963.....	48.8	49.1	-0.3	1986.....	374.9	350.1	24.8
1964.....	47.8	46.0	1.8	1987.....	378.7	392.5	-13.8
1965.....	50.2	51.1	-0.9	1988.....	422.0	402.9	19.1
1966.....	56.8	58.6	-1.8	1989.....	440.1	451.5	-11.4
1967.....	63.7	64.4	-0.7	1990.....	453.4	470.2	-16.8
1968.....	77.5	76.4	1.1	1991.....	455.4	461.3	-5.9
1969.....	87.4	91.7	-4.3	1992.....	483.1	475.3	7.8
1970.....	84.5	88.9	-4.4	1993.....	508.5	505.5	3.0
1971.....	86.1	85.8	0.3	1994.....	540.3	542.7	-2.4
1972.....	94.3	102.8	-8.5	1995.....	592.9	586.0	6.9
1973.....	108.9	109.6	-0.7	1996.....	664.5	663.4	1.1
1974.....	124.4	126.5	-2.1	1997.....	742.5	744.3	-1.8
1975.....	117.3	120.7	-3.4	1998.....	800.5	825.8	-25.3
1976.....	142.8	141.2	1.6	1999.....	892.4	893.0	-0.6
1977.....	161.0	162.2	-1.2	2000.....	994.2	999.1	-4.9
1978.....	189.6	188.9	0.7	2001.....	857.6	994.5	-136.9
1979.....	216.1	224.6	-8.5	2002.....	800.2	830.5	-30.3
1980.....	252.3	250.0	2.3	2003.....	746.4	774.3	-27.9
1981.....	286.7	290.6	-3.9				

1. For the data sources, see footnote 1 in the text.

2. This series is presented as personal current taxes (line 3) in NIPA table 3.2.