

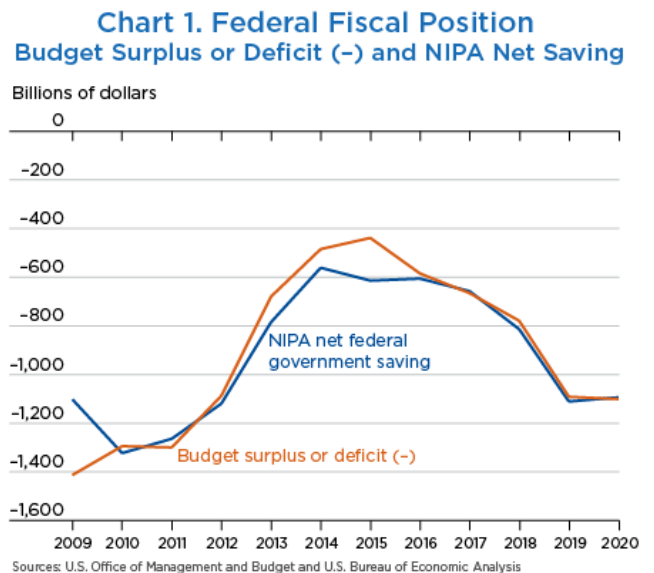
NIPA Translation of the Fiscal Year 2020 Federal Budget

By Mark S. Ludwick and Brendan I. Brankin

On March 11, 2019, the President submitted the *Budget of the United States Government for Fiscal Year 2020* to Congress. This article presents estimates of federal government receipts and expenditures for fiscal years 2019 and 2020 that are consistent with the projected receipts and outlays defined in the *Budget* but measured on a National Income and Product Account (NIPA) basis. These estimates are presented to assist readers in projecting what the effects of budgeted receipts and outlays would be on aggregate economic activity. They will also be used by the Bureau of Economic Analysis to inform estimates of federal government transactions for the coming year, including the federal government components of gross domestic product (GDP).

Comparison of Budget and NIPA Estimates

For both 2019 and 2020, estimates of federal government current receipts measured on a NIPA basis are greater than budget estimates of receipts, and estimates of federal government current expenditures measured on a NIPA basis are greater than budget estimates of outlays.¹ Net federal government saving, defined as the difference between NIPA estimates of current receipts and current expenditures, is $-\$1,110.8$ billion for 2019 and $-\$1,094.0$ billion for 2020. The budget surplus, defined as the difference between budget estimates of receipts and outlays, is $-\$1,091.5$ billion for 2019 and $-\$1,100.8$ billion for 2020 (chart 1, table 1).



The adjustments made to “translate” budget estimates into NIPA estimates are presented in table 2 and table 3. Differences between NIPA estimates and budget estimates of spending on national defense are shown in table 4. For more information about the conceptual differences between NIPA measures and budget measures of government transactions, see “[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	Change from preceding fiscal year
	Actual	Estimates			
	2018	2019	2020	2019	2020
Budget:					
Receipts	3,329.9	3,437.7	3,644.8	107.8	207.1
Outlays	4,109.0	4,529.2	4,745.6	420.2	216.4
Surplus or deficit (-)	-779.1	-1,091.5	-1,100.8	-312.4	-9.3
NIPAs:					
Current receipts	3,577.2	3,669.4	3,900.7	92.2	231.3
Current expenditures	4,391.0	4,780.2	4,994.7	389.2	214.5
Net federal government saving	-813.8	-1,110.8	-1,094.0	-297.0	16.8

NIPAs National Income and Product Accounts

Sources: *Budget of the United States, Fiscal Year 2020* and the Bureau of Economic Analysis.

Table 2. Relation of NIPA Federal Government Current Receipts to Budget Receipts
[Billions of dollars]

	Fiscal year		
	2018	2019	2020
Budget receipts	3,329.9	3,437.7	3,644.8
<i>Less: Coverage differences</i>	36.7	33.7	34.2
Contributions received by federal employee pension and insurance funds ¹	4.5	5.0	5.2
Capital transfers received ²	22.9	19.2	19.2
Financial transactions	0.0	0.0	0.0
Other ³	9.3	9.5	9.8
<i>Less: Netting and grossing differences</i>	-252.0	-255.4	-278.8
Supplementary medical insurance premiums	-99.7	-107.1	-112.3
Interest receipts	-35.4	-52.2	-51.7
Current surplus of government enterprises	-0.1	8.6	-0.9
Other ⁴	-116.9	-104.7	-113.8
<i>Plus: Timing differences</i>	31.9	10.1	11.3
Taxes on corporate income	22.2	3.2	-1.9
Federal and state unemployment insurance taxes	-1.4	-0.1	-0.1
Withheld personal income tax and social security contributions	4.0	9.6	17.1
Excise taxes	7.3	-4.3	-4.0
Other	-0.1	1.6	0.2
Equals: NIPA federal government current receipts	3,577.2	3,669.4	3,900.7

NIPAs National Income and Product Accounts

1. In the NIPAs, pension plans are treated as “pass-through” institutions that hold financial assets on behalf of households, which are the effective owners. Pension plans are classified as financial corporations that receive contributions and property income on behalf of plan participants but do not have saving or net worth of their own. NIPA table 7.23 shows transactions of the federal government defined-benefit pension subsectors.
2. Consists of estate and gift taxes.
3. Beginning with 1996, other 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 2020* and the Bureau of Economic Analysis.

Table 3. Relation of NIPA Federal Government Current Expenditures to Budget Outlays
[Billions of dollars]

	Fiscal year		
	2018	2019	2020
Budget outlays	4,109.0	4,529.2	4,745.6
<i>Less:</i> Coverage differences	-13.5	18.7	47.3
Federal employee pension and insurance fund transactions ¹	-76.7	-69.3	-69.1
Interest accrued	-171.6	-174.8	-179.3
Contributions accrued (employer)	-63.2	-61.4	-60.6
Benefits paid	157.9	166.7	170.6
Administrative expenses	0.3	0.2	0.2
Financing disbursements from credit programs ²	-82.8	-79.8	-65.1
Other differences in funds covered ³	11.5	12.4	12.4
Net investment ⁴	12.1	20.8	43.1
Capital transfers paid ⁵	68.2	70.6	70.9
Financial transactions	59.6	66.3	58.4
Loan disbursements less loan repayments and sales	66.1	67.5	50.0
Deposit insurance	-5.2	-0.9	4.4
Net purchases of foreign currency	0.0	0.0	0.0
Other	-1.3	-0.4	3.9
Net purchases of nonproduced assets	-6.3	-3.4	-4.3
Other ⁶	0.9	1.0	0.9
<i>Less:</i> Netting and grossing differences	-252.0	-255.4	-278.8
Supplementary medical insurance premiums	-99.7	-107.1	-112.3
Interest receipts	-35.4	-52.2	-51.7
Current surplus of government enterprises	-0.1	8.6	-0.9
Other ⁷	-116.9	-104.7	-113.8
<i>Plus:</i> Timing differences	16.4	14.4	17.6
Purchases (increase in payables net of advances)	2.5	5.0	1.3
Interest payments	0.3	0.3	0.3
Current transfer payments	22.8	12.1	11.8
Other ⁸	-9.2	-2.9	4.1
Equals: NIPA federal government current expenditures	4,391.0	4,780.2	4,994.7

NIPAs National Income and Product Accounts

1. In the NIPAs, pension plans are treated as "pass-through" institutions that hold financial assets on behalf of households, which are the effective owners. Pension plans are classified as financial corporations that receive contributions and property income on behalf of plan participants but do not have saving or net worth of their own. NIPA table 7.23 shows transactions of the federal government defined-benefit pension subsectors. 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 2020* and the Bureau of Economic Analysis.

Table 4. Relation of National Defense Consumption Expenditures and Gross Investment to National Defense Outlays
[Billions of dollars]

	Fiscal year		
	2018	2019	2020
Budget outlays for national defense	631.2	684.6	737.9
Department of Defense, military	600.7	652.2	704.3
Military personnel	145.8	156.7	163.3
Operation and maintenance	256.7	275.8	290.1
Procurement	112.7	123.3	138.7
Aircraft	34.1	36.1	42.7
Missiles	6.4	8.1	9.1
Ships	15.7	15.9	20.6
Weapons	5.2	6.8	8.1
Ammunition	1.8	4.6	2.9
Other ¹	49.4	51.8	55.2
Research, development, test, and evaluation	77.0	85.3	99.9
Other	8.6	11.2	12.4
Atomic energy and other defense-related activities	30.4	32.3	33.6
<i>Plus:</i> Consumption of general government fixed capital	159.9	161.9	162.6
Additional payments to military and civilian retirement funds	97.2	103.1	105.4
<i>Less:</i> Grants-in-aid to state and local governments and net interest paid	0.5	0.6	0.6
Timing differences	-1.5	-3.6	-1.5
Other differences	121.5	128.3	136.6
Equals: NIPA national defense consumption expenditures and gross investment	767.8	824.3	870.2
<i>Less:</i> National defense gross investment ²	153.6	162.4	183.4
Equals: NIPA national defense consumption expenditures	614.2	661.9	686.7

NIPAs National Income and Product Accounts

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 2020* and the Bureau of Economic Analysis.

Budget Estimates

The *Budget* projects increases in federal receipts of \$107.8 billion in 2019 and \$207.1 billion in 2020 (table 5). These increases are largely the result of budget assumptions about economic activity and growth in real GDP over these years.² Projected economic growth would result in an expansion of the personal income tax base and increased corporate profits that would increase individual and corporate tax revenues.

Table 5. Budget Receipts by Source

[Billions of dollars]

	Level for fiscal year				Change from preceding year		
	2017	2018	2019	2020	2018	2019	2020
Budget receipts	3,316.2	3,329.9	3,437.7	3,644.8	13.7	107.8	207.1
Individual income taxes	1,587.1	1,683.5	1,698.4	1,824.2	96.4	14.8	125.8
Corporation income taxes	297.0	204.7	216.2	255.2	-92.3	11.5	39.0
Social insurance taxes and contributions	1,161.9	1,170.7	1,242.4	1,295.5	8.8	71.7	53.1
Excise taxes	83.8	95.0	98.7	108.8	11.2	3.7	10.2
Estate and gift taxes	22.8	23.0	19.3	19.3	0.2	-3.7	0.0
Customs duties	34.6	41.3	69.5	48.4	6.7	28.2	-21.1
Miscellaneous receipts	129.0	111.7	93.3	94.4	-17.3	-18.4	1.1
Other ¹	0.0	0.0	0.0	-1.0	0.0	0.0	-1.0

NIPAs

National Income and Product Accounts

1. Includes a reduction in receipts resulting from a budget proposal to repeal and replace the Affordable Care Act. In NIPA estimates, this proposed reduction is included in personal current taxes.

Source: *Budget of the United States Government, Fiscal Year 2020*.

The *Budget* projects increases in federal outlays of \$420.1 billion in 2019 and \$216.4 billion in 2020 (table 6). The largest contributors to these increases are outlays for Medicare and social security benefits, national defense, and interest on the public debt. The projected deceleration in federal outlays from 2019 to 2020 is driven by outlays for higher education, including outlays for federal direct student loans, and income security, including outlays for food and nutrition assistance programs.

Table 6. Budget Outlays by Function
[Billions of dollars]

	Level for fiscal year				Change from preceding year		
	2017	2018	2019	2020	2018	2019	2020
Budget outlays	3981.6	4109.0	4529.2	4745.6	127.4	420.1	216.4
National defense	598.7	631.2	684.6	737.9	32.4	53.4	53.3
International affairs	46.3	49.0	54.3	53.1	2.7	5.4	-1.2
General science, space, and technology	30.4	31.5	33.8	34.6	1.1	2.3	0.8
Energy	3.9	2.2	3.2	3.5	-1.7	1.0	0.3
Natural resources and environment	37.9	39.1	39.9	43.7	1.2	0.7	3.8
Agriculture	18.9	21.8	38.1	19.5	2.9	16.3	-18.6
Commerce and housing credit	-26.7	-9.5	-26.4	-5.1	17.2	-16.9	21.3
Transportation	93.6	92.8	98.9	100.9	-0.8	6.1	2.0
Community and regional development	24.9	42.2	33.0	35.7	17.3	-9.2	2.7
Education, training, employment, and social services	144.0	95.5	142.5	112.4	-48.5	47.0	-30.2
Health	533.1	551.2	601.0	616.0	18.1	49.8	15.0
Medicare	597.3	588.7	651.2	685.2	-8.6	62.5	34.0
Income security	503.5	495.3	533.2	514.2	-8.2	37.9	-19.0
Social security	944.9	987.8	1047.0	1107.1	42.9	59.2	60.2
Veterans benefits and services	176.5	178.9	200.5	217.5	2.3	21.6	17.1
Administration of justice	57.9	60.4	71.8	69.0	2.5	11.4	-2.8
General government	23.8	23.9	26.8	31.6	0.1	3.0	4.8
Net interest	262.6	325.0	393.5	478.8	62.4	68.5	85.3
Allowances ¹	0.0	0.0	-0.7	0.3	0.0	-0.7	1.0
Undistributed offsetting receipts ²	-89.8	-97.9	-96.9	-110.4	-8.0	0.9	-13.4

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 2020*.

Proposed legislation

The budget projections discussed above include receipts and outlays that would result from the continuation of current policies as well as the effects of policy proposals that have not yet been enacted. The *Budget* also presents estimates of receipts and outlays that are consistent with the current services baseline. These estimates represent the expected deficit outlook and serve as the most appropriate benchmark against which to measure the effects of proposed policy changes. The *Budget* projects an increase in current services baseline outlays of \$173.6 billion in 2020 (table 7). This projection includes cuts in defense and nondefense discretionary spending in 2020 that are the result of reductions in spending caps, or “sequestration,” that were mandated by the Budget Control Act of 2011.

In this article, the term “proposed legislation” refers to any policies that are included in budget estimates but are not included in current services baseline estimates. If enacted, the net effect of proposed legislation on federal receipts and outlays would increase the federal deficit for 2020 by \$36.4 billion (table 7). The legislative proposals that would have the largest effect on the federal deficit in 2020 include the following:

- A proposal to strengthen the military would increase defense spending by 5 percent from 2019 levels and would increase the deficit by \$55.0 billion. In NIPA estimates, outlays associated with this proposal are recorded primarily as defense consumption expenditures and gross investment (table 10, lines 50 and 103).
- A proposal to increase funding for the U.S. Department of Veterans Affairs Maintaining Internal Systems and Strengthening Integrated Outside Networks Act of 2018, including the establishment of a community care program, would increase the deficit by \$8.0 billion. In NIPA estimates, outlays associated with this proposal are recorded primarily as nondefense consumption expenditures (table 10, line 51).
- A proposal to reform welfare programs, including a reduction in outlays for Supplemental Nutrition Assistance Program benefits, would decrease the deficit by \$22.1 billion. In NIPA estimates, outlays associated with this proposal are recorded primarily as social benefits (table 10, line 65).
- A proposal to reform health care, including reforms and reductions to Medicare provider payments, would reduce the deficit by \$6.0 billion. In NIPA estimates, outlays associated with this proposal are recorded primarily as social benefits (table 10, line 60).

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

	Fiscal Year	
	2019	2020
Current-services baseline surplus or deficit (-)	-1,098.0	-1,066.6
Receipts	3,437.6	3,642.6
Outlays	4,535.6	4,709.2
<i>Plus:</i> Net effects of proposed legislation, outlays less receipts ¹	-6.4	36.4
Increased defense spending	0.0	55.0
VA MISSION Act of 2018	0.0	8.0
Reform welfare programs	0.0	-22.1
Health care reform	0.0	-6.0
Other	-6.4	1.5
<i>Equals:</i> Administration budget surplus or deficit (-)	-1,091.5	-1,100.8
Receipts	3,437.7	3,644.8
Outlays	4,529.2	4,745.6

VA MISSION Act Veterans Affairs Maintaining Internal Systems and Strengthening Integrated Outside Networks Act

1. Consistent with the budget, proposed legislation excludes budget reform proposals that are included in the baseline.

Source: *Budget of the United States Government, Fiscal Year 2020.*

NIPA Estimates

NIPA estimates of federal government current receipts that are consistent with the *Budget* increase \$92.3 billion in 2019 and \$231.3 billion in 2020 (table 8 and chart 2). The acceleration in 2020 is primarily due to an acceleration in personal taxes and an upturn in corporate taxes.

NIPA estimates of federal government current expenditures that are consistent with the *Budget* increase \$389.3 billion in 2019 and \$214.4 billion in 2020 (table 9 and chart 3). The deceleration in 2020 is largely due to decelerations in defense and nondefense consumption expenditures, social benefits, and grants-in-aid to state and local governments. The deceleration in consumption expenditures includes most of the effects of sequestration cuts to discretionary spending in 2020. The deceleration in grants-in-aid is the result of downturns in federal funding for Medicaid and for education and income security programs administered by state governments.

Chart 2. Federal Government Current Receipts

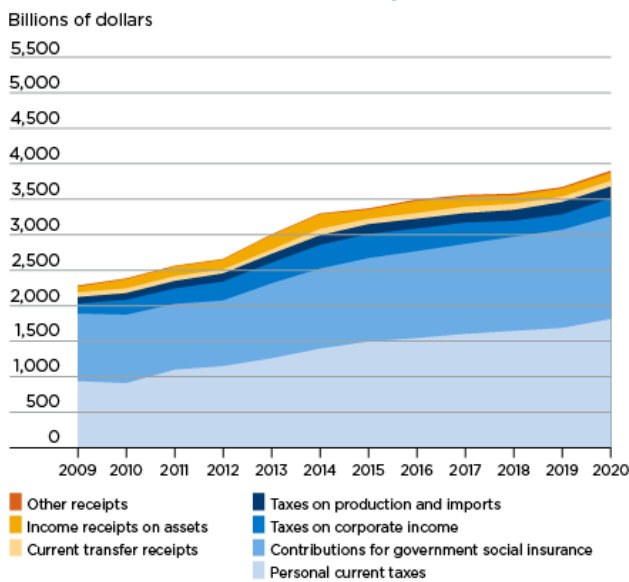


Chart 3. Federal Government Current Expenditures

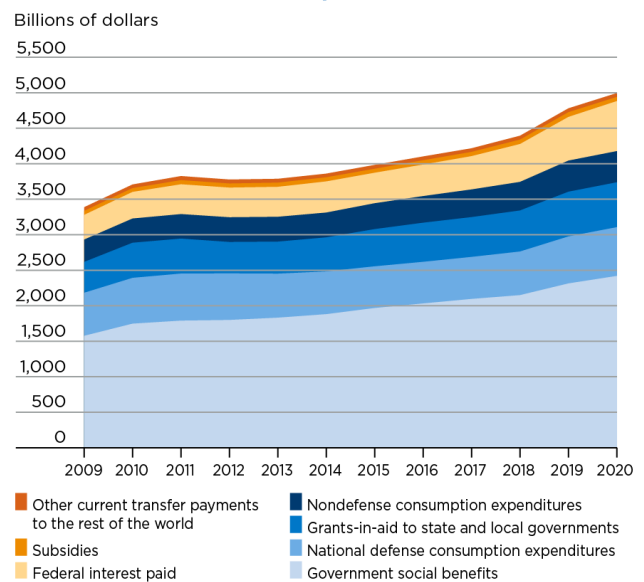


Table 8. Sources of Change in NIPA Federal Government Current Receipts

[Billions of dollars]

	Change from preceding fiscal year		
	2018	2019	2020
Total current receipts	17.7	92.3	231.3
Current tax receipts	-13.2	56.1	151.1
Personal current taxes	41.5	41.0	126.4
Due to tax bases	41.5	41.0	124.0
Due to proposed legislation	0.0	0.0	2.4
Taxes on production and imports	20.0	21.2	-8.9
Due to tax bases	20.0	21.2	-9.4
Due to proposed legislation	0.0	0.0	0.5
Taxes on corporate income	-76.5	-7.8	33.9
Due to tax bases	-76.5	-7.8	34.8
Due to proposed legislation	0.0	0.0	-0.9
Taxes from the rest of the world	1.9	1.7	-0.2
Contributions for government social insurance	59.6	57.3	65.3
Due to tax bases	59.6	57.3	65.3
Due to proposed legislation	0.0	0.0	0.0
Income receipts on assets	-26.1	-1.6	-0.2
Current transfer receipts	-3.8	-10.9	5.6
Current surplus of government enterprises	1.3	-8.7	9.5
Addenda:			
Total due to tax bases	44.6	111.7	214.7
Total due to proposed legislation	0.0	0.0	2.0

NIPAs National Income and Product Accounts

Sources: *Budget of the United States Government, Fiscal Year 2020* and the Bureau of Economic Analysis.**Table 9. Sources of Change in NIPA Federal Government Current Expenditures**

[Billions of dollars]

	Change from preceding fiscal year		
	2018	2019	2020
Total current expenditures	174.0	389.3	214.4
Consumption expenditures	35.2	83.5	25.6
National defense	22.3	47.8	24.8
Nondefense	12.9	35.7	0.8
Current transfer payments	71.8	219.5	107.7
Government social benefits to persons	49.5	163.3	104.1
Government social benefits to the rest of the world	4.0	1.6	1.6
Grants-in-aid to state and local governments	17.3	51.8	2.4
Other current transfer payments paid to the rest of the world	1.0	2.9	-0.4
Federal interest paid	64.3	81.7	89.9
Subsidies	2.7	4.6	-8.8

NIPAs National Income and Product Accounts

Source: Bureau of Economic Analysis.

Seasonally adjusted quarterly NIPA estimates for 2019 and 2020 are displayed in table 10. These quarterly estimates are extrapolated from NIPA estimates currently published for the first quarter of 2019, which were released on April 25, 2019.³ The quarterly patterns of these NIPA estimates are based on economic assumptions from the *Budget* and on expectations about the timing of receipts and expenditures related to specific government programs or policy proposals. For example, the quarterly patterns of estimates of some tax receipts are based on the administration's projected pattern of wages, while cost-of-living increases for social security and certain other programs are incorporated into estimates of social benefits in the first quarter of each calendar year.⁴

Because these quarterly projections are based on budget estimates and assumptions, they should be viewed as approximations. Improvements will be made to these estimates as actual receipts and spending occur, as economic conditions change, as new laws are enacted, and as more source data become available. More reliable contemporaneous estimates will be published monthly in [NIPA table 3.2](#) and in related underlying tables.

Table 10. NIPA Federal Government Current Receipts and Expenditures

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

	Line	Fiscal year estimates ¹			Calendar year		Quarter										
					Published ²	Estimated	Published ²				2019			Estimated			
		2018	2019	2020	2018	2019	2018				2019			2020			
							I	II	III	IV	I	II	III	IV	I	II	III
Current receipts	1	3,577.2	3,669.4	3,900.7	3,500.4	3,643.9	3,428.3	3,456.2	3,547.5	3,569.5	3,577.8	3,617.9	3,662.1	3,718.0	3,815.5	3,885.3	3,956.4
Current tax receipts	2	2,047.3	2,103.4	2,254.5	1,959.5	2,067.8	1,908.8	1,936.6	1,973.9	2,018.8	2,026.5	2,052.3	2,080.4	2,111.9	2,174.5	2,223.4	2,276.7
Personal current taxes	3	1,643.0	1,684.0	1,810.4	1,614.2	1,702.8	1,583.9	1,599.2	1,625.3	1,648.2	1,669.7	1,686.9	1,711.4	1,743.1	1,787.3	1,831.3	1,876.8
Withheld income taxes	4	1,297.9	1,319.5	1,435.7	1,282.6	1,356.7	1,260.7	1,270.9	1,290.9	1,308.1	1,324.8	1,341.2	1,365.0	1,396.0	1,434.3	1,472.7	1,510.1
Declarations and final settlements less refunds	5	345.1	364.5	374.7	331.5	346.1	323.3	328.3	334.4	340.0	345.0	345.7	346.5	347.0	353.0	358.6	366.7
Proposed legislation	6	.....	0.0	2.4	.....	0.0	.....	.....	.....	.....	0.0	0.0	0.0	0.0	3.2	3.2	3.2
Other	7	345.1	364.5	372.3	331.5	346.1	323.3	328.3	334.4	340.0	345.0	345.7	346.5	347.0	349.8	355.4	363.5
Taxes on production and imports	8	152.6	173.8	164.9	160.3	163.2	149.5	152.0	158.9	180.7	167.9	167.8	162.8	154.2	164.5	161.1	160.4
Proposed legislation	9	.....	0.0	0.5	.....	0.0	.....	.....	.....	.....	0.0	0.0	0.0	0.0	0.7	0.7	0.7
Other	10	152.6	173.8	164.4	160.3	163.2	149.5	152.0	158.9	180.7	167.9	167.8	162.8	154.2	163.9	160.4	159.7
Taxes on corporate income	11	224.9	217.1	251.0	157.7	173.9	149.0	158.1	162.7	160.9	160.9	169.6	178.2	186.7	194.7	203.1	211.7
Proposed legislation	12	.....	0.0	-0.4	.....	0.0	.....	.....	.....	.....	0.0	0.0	0.0	0.0	-0.6	-0.6	-0.6
Other	13	224.9	217.1	251.4	157.7	173.9	149.0	158.1	162.7	160.9	160.9	169.6	178.2	186.7	195.3	203.7	212.3
Taxes from the rest of the world	14	26.8	28.5	28.3	27.4	27.9	26.3	27.3	27.0	29.1	27.9	27.9	27.9	27.9	27.9	27.9	27.9
Contributions for social insurance	15	1,326.3	1,383.7	1,448.9	1,344.8	1,406.0	1,327.5	1,336.2	1,350.9	1,364.5	1,386.4	1,399.5	1,412.5	1,425.7	1,450.9	1,464.6	1,478.9
Domestic	16	1,320.2	1,377.3	1,442.3	1,339.4	1,400.4	1,322.2	1,330.8	1,345.5	1,359.1	1,380.9	1,393.9	1,406.9	1,420.0	1,445.0	1,458.7	1,472.9
Old age, survivors, disability, and hospital insurance	17	1,161.0	1,210.1	1,267.0	1,175.2	1,228.2	1,158.1	1,166.7	1,181.2	1,194.8	1,209.4	1,221.8	1,234.3	1,247.2	1,265.7	1,279.2	1,293.1
Tax on wages and salaries (FICA, gross)	18	1,096.2	1,142.8	1,197.4	1,109.6	1,159.4	1,093.5	1,101.5	1,115.3	1,128.1	1,141.6	1,153.3	1,165.3	1,177.6	1,195.6	1,208.6	1,222.0
Proposed legislation	19	.....	0.0	0.0	.....	.....	.....	.....	.....	.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rate change	20	.....	0.0	0.0	.....	0.0	.....	.....	.....	.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Base increases	21	.....	4.0	8.9	.....	5.3	.....	.....	.....	.....	5.3	5.3	5.3	5.3	10.0	10.0	10.0
January 2018	22	.....	4.0	5.3	.....	5.3	.....	.....	.....	.....	5.3	5.3	5.3	5.3	5.3	5.3	5.3
January 2019	23	.....	.....	3.6	.....	.....	.....	.....	.....	.....	0.0	0.0	0.0	0.0	4.7	4.7	4.7
Other	24	1,096.2	1,138.8	1,188.6	1,109.6	1,154.1	1,093.5	1,101.5	1,115.3	1,128.1	1,136.3	1,148.0	1,160.0	1,172.3	1,185.5	1,198.5	1,211.9
FICA refunds	25	-3.2	-3.5	-3.6	-3.4	-3.7	-3.4	-3.4	-3.4	-3.4	-3.7	-3.7	-3.7	-3.7	-3.8	-3.8	-3.8
Voluntary hospital insurance	26	3.8	3.8	3.8	3.7	3.9	3.6	3.7	3.8	3.8	3.9	3.9	3.9	3.9	3.9	3.9	3.9
Tax on self-employment earnings (SECA)	27	64.2	67.0	69.4	65.3	68.5	64.4	65.0	65.6	66.3	67.6	68.3	68.8	69.3	70.1	70.5	71.1
Proposed legislation	28	.....	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
Base increases	29	.....	0.2	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.3	0.3
Other	30	64.2	66.8	68.9	65.3	68.5	64.4	65.0	65.6	66.3	67.6	68.3	68.8	69.3	69.7	70.2	70.7
Supplementary medical insurance	31	95.0	102.0	108.4	94.5	101.4	94.4	94.5	94.5	94.6	101.2	101.3	101.5	101.7	107.4	107.6	107.8

	Line	Fiscal year estimates ¹			Calendar year		Quarter										
					Published ²	Estimated	Published ²				Estimated						
		2018	2019	2020			2018	2019	2018				2019	2019			2020
					I	II			III	IV	I	II	III	IV	I	II	III
Unemployment insurance	32	44.0	44.7	46.5	48.7	49.4	48.8	48.6	48.6	48.6	48.8	49.3	49.6	49.8	50.7	50.8	50.9
Other	33	20.2	20.5	20.3	21.0	21.4	20.9	21.0	21.1	21.1	21.4	21.4	21.4	21.3	21.2	21.1	21.1
Rest of the world	34	6.1	6.3	6.7	5.4	5.7	5.3	5.4	5.4	5.5	5.6	5.6	5.7	5.8	5.9	6.0	6.1
Income receipts on assets	35	117.1	115.6	115.4	122.1	110.1	122.4	112.8	126.6	126.5	105.3	107.3	110.9	116.6	121.1	124.6	126.6
Interest receipts	36	28.6	34.8	36.5	31.4	33.7	30.6	30.8	31.7	32.5	32.6	33.7	34.3	34.3	34.4	34.6	35.0
Dividends	37	81.3	70.5	69.0	83.8	68.4	85.3	75.6	88.5	85.9	64.7	65.5	68.8	74.6	79.1	82.3	84.2
Rents and royalties	38	7.3	10.2	9.9	6.9	7.9	6.5	6.5	6.4	8.2	8.0	8.1	7.8	7.8	7.7	7.7	7.4
Current transfer receipts	39	86.3	75.4	81.0	82.8	67.8	77.1	80.0	105.2	69.0	67.1	67.4	66.5	70.2	72.2	73.9	74.6
From business	40	55.7	48.3	53.0	45.4	33.6	47.4	39.8	59.0	35.3	33.6	32.7	32.5	35.8	37.8	38.2	39.8
From persons	41	21.6	20.7	21.4	27.6	24.0	27.4	27.6	27.7	27.7	23.8	23.8	24.0	24.3	24.6	24.8	24.8
From the rest of the world	42	9.0	6.4	6.6	9.8	10.2	2.3	12.6	18.5	5.9	9.7	10.9	10.0	10.1	9.7	11.0	10.0
Current surplus of government enterprises	43	0.1	-8.6	0.9	-8.8	-7.7	-7.5	-9.3	-9.1	-9.4	-7.6	-8.6	-8.3	-6.5	-3.2	-1.2	-0.5
Postal Service	44	-2.2	-2.2	-0.9	-2.6	-1.8	-2.2	-2.6	-2.5	-3.2	-1.7	-1.9	-1.9	-1.7	-1.3	-1.1	-1.0
Federal Housing Administration	45	1.1	-8.6	0.1	-8.4	-8.6	-7.5	-8.9	-8.7	-8.4	-8.3	-9.4	-9.1	-7.5	-4.4	-2.5	-1.7
Tennessee Valley Authority	46	2.5	2.3	2.6	3.2	3.2	3.1	3.2	3.3	3.3	3.2	3.2	3.2	3.3	3.4	3.4	3.5
Other	47	-1.3	-0.1	-0.9	-1.1	-0.5	-0.9	-1.1	-1.3	-1.1	-0.7	-0.5	-0.4	-0.6	-0.9	-1.1	-1.2
Current expenditures	48	4,391.0	4,780.2	4,994.7	4,482.0	4,761.0	4,398.2	4,449.9	4,508.1	4,571.7	4,662.4	4,746.5	4,794.5	4,840.6	4,881.2	4,916.1	4,930.9
Consumption expenditures	49	1,016.7	1,100.2	1,125.9	1,032.0	1,075.6	1,012.7	1,027.9	1,041.3	1,046.2	1,056.7	1,074.8	1,086.7	1,084.1	1,083.2	1,087.4	1,092.7
National defense	50	614.2	661.9	686.7	622.8	661.4	606.6	618.4	628.6	637.6	646.6	659.3	669.9	670.1	671.3	676.9	682.9
Nondefense	51	402.6	438.3	439.1	409.2	414.1	406.0	409.5	412.7	408.5	410.1	415.5	416.8	414.0	411.9	410.5	409.8
Current transfer payments	52	2,778.5	2,998.0	3,105.7	2,839.0	3,028.6	2,800.1	2,828.8	2,853.1	2,874.1	2,981.9	3,024.8	3,040.1	3,067.7	3,091.1	3,104.2	3,096.7
Government social benefits	53	2,148.3	2,313.2	2,418.9	2,203.8	2,380.3	2,172.2	2,188.8	2,212.1	2,242.3	2,342.1	2,371.2	2,394.7	2,413.4	2,447.9	2,456.8	2,461.3
To persons	54	2,123.1	2,286.3	2,390.4	2,180.9	2,356.4	2,149.3	2,165.9	2,189.1	2,219.4	2,318.8	2,347.5	2,370.6	2,388.8	2,422.9	2,431.5	2,435.9
Social security	55	960.6	1,018.5	1,078.4	974.2	1,038.6	960.8	969.1	977.8	989.0	1,022.7	1,033.4	1,043.9	1,054.3	1,085.4	1,090.6	1,093.2
Regular	56	960.6	997.5	1,033.0	974.2	1,010.6	960.8	969.1	977.8	989.0	994.7	1,005.4	1,016.0	1,026.4	1,034.1	1,039.3	1,041.9
Benefit increases	57	.....	20.9	45.4	.....	27.9	.....	.....	.....	.....	27.9	27.9	27.9	27.9	51.3	51.3	51.3
January 2019	58	.....	20.9	27.9	.....	27.9	.....	.....	.....	.....	27.9	27.9	27.9	27.9	27.9	27.9	27.9
January 2020	59	.....	.....	17.5	.....	0.0	.....	.....	.....	.....	0.0	0.0	0.0	0.0	23.3	23.3	23.3
Medicare	60	693.8	760.2	807.8	734.4	805.8	713.7	724.5	739.9	759.5	782.5	799.6	814.3	826.7	835.9	842.1	845.1
Unemployment benefits	61	28.0	26.8	27.6	25.5	25.4	27.6	25.5	24.7	24.1	25.2	25.1	25.3	25.8	26.1	26.3	26.4
Veterans benefits	62	109.7	121.1	128.4	109.3	118.9	105.5	107.9	110.9	113.0	116.3	118.4	119.9	121.0	124.2	124.7	124.9
Railroad retirement	63	12.7	14.0	13.3	12.7	12.8	12.7	12.7	12.7	12.8	13.0	13.0	12.8	12.3	12.3	12.0	11.9
Military medical insurance	64	14.8	14.6	14.3	14.8	14.5	14.9	14.8	14.8	14.7	14.7	14.6	14.5	14.4	14.4	14.3	14.3
Supplemental Nutrition Assistance Program benefits	65	59.1	62.4	40.2	57.8	49.2	59.3	58.2	57.1	56.7	56.6	53.6	47.5	39.3	32.5	27.9	25.7
Black lung benefits	66	0.3	0.2	0.2	0.2	0.2	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Supplemental security income	67	53.5	53.9	54.4	52.5	53.0	52.6	52.8	52.5	52.2	53.4	53.1	52.9	52.7	53.7	53.5	53.5
Refundable tax credits	68	137.0	158.4	154.1	140.6	166.9	146.4	142.7	138.8	134.6	168.8	168.2	166.6	163.9	155.9	154.6	153.9
All other	69	53.8	56.3	71.7	58.8	71.1	55.5	57.5	59.7	62.6	65.6	68.3	72.5	78.2	82.4	85.3	86.7
To rest of the world	70	25.3	26.9	28.4	22.9	23.9	22.9	22.9	23.0	22.8	23.3	23.7	24.2	24.6	25.0	25.3	25.4
Grants-in-aid to state and local governments	71	578.1	629.9	632.3	578.1	584.5	579.2	576.6	587.0	569.6	578.2	586.3	588.5	584.9	582.1	580.3	579.4
General public service	72	2.8	2.7	2.9	1.6	0.8	1.4	2.4	1.4	1.3	0.7	0.7	0.8	0.9	0.9	0.9	1.0
National defense	73	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.6	0.6	0.6	0.6	0.6	0.6	0.6

	Line	Fiscal year estimates ¹			Calendar year		Quarter										
					Published ²	Estimated	Published ²				2019			Estimated			
		2018	2019	2020			2018	2019	2018				I	2019		I	2020
					I	II			III	IV	II	III		IV	II		III
Public order and safety	74	3.8	4.0	2.9	3.8	3.2	4.1	3.8	3.7	3.4	3.5	3.4	3.1	2.7	2.3	2.0	1.9
Economic affairs	75	10.4	12.8	13.1	10.0	8.3	9.7	10.3	10.5	9.4	8.0	8.4	8.5	8.4	8.4	8.3	8.3
Transportation ³	76	0.1	0.1	0.2	0.1	0.2	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.3	0.3	0.3	0.3
Space	77	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	78	10.2	12.7	12.9	9.9	8.1	9.6	10.2	10.3	9.2	7.8	8.2	8.3	8.2	8.1	8.0	8.0
General economic and labor affairs	79	3.6	3.2	3.6	3.0	1.9	3.2	3.4	4.0	1.4	1.8	1.8	1.9	2.1	2.3	2.4	2.4
Agriculture	80	1.0	1.6	1.7	0.9	0.9	1.0	1.1	0.9	0.7	0.7	0.8	0.9	0.9	0.9	0.9	0.9
Energy	81	1.1	1.2	1.4	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.1	1.2	1.2	1.2	1.3	1.3
Natural resources	82	4.6	6.7	6.2	4.8	4.2	4.4	4.7	4.4	6.0	4.1	4.4	4.3	3.9	3.6	3.4	3.3
Housing and community services	83	17.1	19.0	21.9	16.3	16.1	16.1	16.2	17.7	15.2	14.8	15.6	16.4	17.4	18.1	18.6	18.8
Health	84	408.4	440.6	441.8	409.6	427.7	411.2	406.5	418.2	402.4	423.9	428.8	430.1	427.8	426.0	424.8	424.3
Medicaid	85	388.4	417.8	417.3	391.6	407.9	389.7	390.3	398.7	387.9	405.0	409.3	410.1	407.3	405.3	403.9	403.2
Prescription drug plan clawback	86	-11.7	-12.1	-13.0	-11.7	-11.9	-10.9	-12.1	-12.0	-11.7	-11.5	-11.7	-12.0	-12.3	-12.5	-12.6	-12.7
Other	87	31.7	34.9	37.5	29.6	31.6	32.4	28.3	31.5	26.3	30.4	31.2	32.0	32.7	33.2	33.6	33.8
Recreation and culture	88	0.4	0.6	0.4	0.4	0.3	0.5	0.5	0.5	0.3	0.3	0.3	0.3	0.2	0.2	0.1	0.1
Education	89	36.9	42.5	40.0	38.1	28.4	36.7	38.7	36.9	40.0	28.6	29.2	28.7	27.2	26.1	25.4	25.0
Income security	90	97.7	107.1	108.7	97.7	99.1	98.9	97.5	97.5	96.9	97.6	99.2	99.9	99.8	99.6	99.5	99.5
Disability	91	2.6	2.8	2.6	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.6	2.6	2.6	2.5
Welfare and social services	92	83.8	86.6	83.6	84.2	83.2	84.2	83.8	84.5	84.2	84.0	83.9	83.1	81.8	80.8	80.1	79.8
Unemployment	93	3.3	3.2	3.3	3.6	3.7	3.6	3.6	3.6	3.6	3.6	3.6	3.7	3.7	3.8	3.8	3.8
Other	94	8.0	14.6	19.2	7.2	9.6	8.4	7.4	6.7	6.4	7.3	9.0	10.4	11.6	12.5	13.0	13.3
Other current transfer payments paid to the rest of the world	95	52.1	54.9	54.6	57.1	63.8	48.7	63.4	54.0	62.2	61.6	67.3	56.8	69.5	61.1	67.1	56.0
Federal interest paid	96	533.1	614.8	704.7	545.3	585.6	525.5	534.5	554.4	566.7	550.1	574.0	597.6	621.0	642.7	662.6	680.8
Subsidies	97	62.6	67.2	58.4	65.7	71.2	60.0	58.7	59.4	84.7	73.9	73.0	70.1	67.8	64.3	61.9	60.7
Agricultural	98	12.0	9.9	3.0	16.9	22.8	11.4	10.8	11.4	34.0	25.4	24.1	22.1	19.7	17.9	16.7	16.0
Housing	99	38.5	39.7	38.4	37.5	37.7	36.7	37.4	37.8	38.1	38.1	37.9	37.6	37.1	36.7	36.5	36.3
Other	100	12.1	17.6	17.0	11.3	10.7	11.9	10.4	10.1	12.7	10.3	11.0	10.4	11.0	9.7	8.8	8.3
Net federal government saving	101	-813.8	-1,110.8	-1,093.9	-981.6	-1,117.1	-969.9	-993.7	-960.6	-1,002.2	-1,084.7	-1,128.7	-1,132.4	-1,122.6	-1,065.7	-1,030.7	-974.5
Addenda:																	
Gross investment ⁴	102	284.5	296.8	321.5	287.8	308.7	282.2	285.1	288.2	295.8	298.9	304.1	310.9	320.8	327.2	331.9	334.8
National defense	103	153.6	162.4	183.4	156.1	171.1	152.4	154.2	155.7	162.0	162.8	167.1	172.8	181.6	187.1	191.2	193.9
Nondefense	104	130.8	134.4	138.1	131.8	137.6	129.8	131.0	132.5	133.8	136.0	137.0	138.1	139.2	140.1	140.6	140.9
Consumption expenditures and gross investment	105	1,301.2	1,397.0	1,447.3	1,319.8	1,384.2	1,294.8	1,313.0	1,329.5	1,341.9	1,355.5	1,379.0	1,397.6	1,404.9	1,410.4	1,419.3	1,427.5
National defense	106	767.8	824.3	870.2	778.9	832.5	759.0	772.6	784.3	799.6	809.4	826.4	842.7	851.6	858.4	868.1	876.8
Nondefense	107	533.4	572.7	577.2	540.9	551.7	535.8	540.4	545.2	542.3	546.1	552.5	554.9	553.2	552.0	551.2	550.7
Total receipts	108	3,600.0	3,688.6	3,919.9	3,523.7	3,664.8	3,453.1	3,479.2	3,570.4	3,592.3	3,599.2	3,638.6	3,682.7	3,738.8	3,836.6	3,906.8	3,978.2
Current receipts	109	3,577.2	3,669.4	3,900.7	3,500.4	3,643.9	3,428.3	3,456.2	3,547.5	3,569.5	3,577.8	3,617.9	3,662.1	3,718.0	3,815.5	3,885.3	3,956.4
Capital transfer receipts	110	22.9	19.2	19.2	23.3	20.9	24.8	23.0	22.9	22.8	21.4	20.8	20.6	20.9	21.1	21.4	21.8
Total expenditures	111	4,471.4	4,874.0	5,110.3	4,564.1	4,849.8	4,472.9	4,524.7	4,608.0	4,651.0	4,742.0	4,831.3	4,885.7	4,940.3	4,986.3	5,025.4	5,042.9
Current expenditures	112	4,391.0	4,780.2	4,994.7	4,482.0	4,761.0	4,398.2	4,449.9	4,508.1	4,571.7	4,662.4	4,746.5	4,794.5	4,840.6	4,881.2	4,916.1	4,930.9
Gross government investment	113	284.5	296.8	321.5	287.8	308.7	282.2	285.1	288.2	295.8	298.9	304.1	310.9	320.8	327.2	331.9	334.8
Capital transfer payments	114	74.7	76.3	76.8	78.7	76.3	72.9	72.3	96.5	73.0	75.8	76.3	76.5	76.4	76.4	76.4	76.4
Net purchases of nonproduced assets	115	-6.3	-3.4	-4.3	-1.3	-7.1	-0.5	-0.7	-0.6	-3.3	-6.8	-6.8	-6.8	-7.7	-7.7	-7.7	-7.7
Less: Consumption of fixed capital	116	272.4	276.0	278.4	283.0	289.0	279.9	282.0	284.3	286.0	288.3	288.8	289.3	289.8	290.8	291.2	291.5

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					Published ²	Estimated	Published ²					Estimated					
		2018	2019	2020	2018	2019	2018				2019	2019			2020		
							I	II	III	IV	I	II	III	IV	I	II	III
Net lending or net borrowing (-)	117	-871.4	-1,185.4	-1,190.4	-1,040.4	-1,185.0	-1,019.8	-1,045.5	-1,037.5	-1,058.8	-1,142.8	-1,192.7	-1,203.0	-1,201.5	-1,149.7	-1,118.6	-1,064.7

FICA Federal Insurance Contributions Act
SECA Self-Employment Contributions Act
NIPAs National Income and Product Accounts

1. Fiscal year estimates are the sum of quarterly estimates that are not seasonally adjusted and that are consistent with budget proposals.
2. These estimates are published in the NIPA tables [3.2](#) and [3.9.5](#).
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 2020* and the Bureau of Economic Analysis.

Translating Budget Estimates into a NIPA Framework

Budget estimates of government receipts are allocated into five major NIPA receipts categories: current tax receipts, contributions for government social insurance, income receipts on assets, current transfer receipts, and current surplus of government enterprises. These allocations are consistent with national accounting standards and are based on information and assumptions from the *Budget* and on projections of the effects of specific budget proposals from the U.S. Department of the Treasury Office of Tax Analysis.

Budget estimates of government outlays are organized by appropriation in the *Budget Appendix*. These data and supplemental data from the Office of Management and Budget are used to allocate federal budget outlays into four major NIPA expenditures categories: current transfer payments, interest payments, subsidies, and consumption expenditures and gross investment.

The allocation of budget receipts and outlays into NIPA categories will be used, along with supplemental administrative data, to inform how federal government receipts and spending reported by the U.S. Department of the Treasury are allocated into NIPA categories to produce monthly and quarterly NIPA estimates.

When quarterly NIPA estimates are published, estimates of defense consumption expenditures and gross investment will be reconciled with outlays reported in the *Monthly Treasury Statement* using financial, delivery, and other information from the U.S. Department of Defense. For nondefense expenditures, extrapolations of budget data will be used to estimate some categories of spending, including expenditures for durable goods, nondurable goods, services, and equipment for which no quarterly source data are available. Other categories of spending will incorporate quarterly source data, such as data for construction from the U.S. Census Bureau and for compensation from the U.S. Office of Personnel Management and the Bureau of Labor Statistics.

NIPA Estimates of the Federal Sector and Federal Budget Estimates

The Bureau of Economic Analysis prepares estimates of the federal sector in the framework of the 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 aggregate economic activity.¹

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 NIPA statistics differs from that in budget estimates. One difference is in the treatment of capital transactions. Unlike budget estimates, the NIPAs distinguish between current transactions for production, income, and consumption and capital transactions, which include expenditures to acquire, improve, or dispose of nonfinancial assets, such as property, equipment, or certain intangible assets.² The following types of transactions are not included in NIPA federal government current receipts and current expenditures but are shown in the NIPA domestic capital account.

- **Government investment in fixed assets.** In the NIPAs, government consumption expenditures exclude investment in fixed assets but 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 transfers and are presented in the domestic capital account.³
- **Transactions involving nonproduced assets.** In the NIPAs, purchases and sales of nonproduced assets, such as land and radio spectrum licenses, are included in "capital account transactions (net)" in the domestic capital account.

NIPA estimates also differ from budget estimates because of different definitions of the scope and coverage of the federal government sector.

- **Federal employee pension and insurance funds.** In NIPA estimates, pension plans are treated as "pass-through" institutions that hold financial assets on behalf of households.⁴ Contributions to government employee pension and insurance funds, which are included in budget receipts, are excluded from NIPA federal government receipts because these contributions are included in NIPA personal income as part of employee income. Similarly, federal employee retirement benefit payments, which are included in budget outlays, are excluded from NIPA current expenditures because these benefits are paid from assets that are held in the pension subsector of the corporate financial sector.
- **Other differences.** NIPA estimates also exclude 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 that are classified as receipts in the NIPAs but 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.

Budget outlays for national defense and nondefense are included in NIPA estimates of both consumption expenditures and gross investment. For national defense, budget outlays differ from the NIPA estimates for several reasons.

- The NIPA measure includes general government consumption of fixed capital.
- The *Budget* records contributions into military and civilian retirement funds and the receipts of these contributions by the retirement funds as intragovernmental transactions. The NIPAs include an accrual measure of contributions for military and civilian retirement benefits in defense consumption expenditures, but contributions into these funds are excluded from government receipts.
- Budget outlays are recorded on a cash basis, but NIPA expenditures are recorded on a delivery (accrual) basis. In the NIPAs, work in progress, except for work on ships and structures, is recorded as a change in private inventories.

1. For a comparison of budget estimates and NIPA estimates, see [table 2](#) and [table 3](#) in this article 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 “[Results of the 2018 Comprehensive NIPA Update](#)” *Survey of Current Business* 98 (September 2018). 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. Capital transfers include transactions such as investment grants-in-aid to state and local governments, investment subsidies to businesses, lump-sum payments to amortize the unfunded liabilities of the U.S. Department of Defense Medicare-Eligible Retiree Health Care Fund and the U.S. 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 benefits related to catastrophes, and estate and gift taxes.
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.

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1. For a historical perspective of the relationship between budget receipts and outlays and NIPA receipts and expenditures, see [NIPA table 3.18B](#).
2. For a more detailed accounting of the economic assumptions that underlie budget estimates, see chapter 2, “[Economic Assumptions and Overview](#),” in the *Analytical Perspectives* volume of the *Budget*.
3. Because quarterly NIPA estimates are extrapolated from published estimates, the average of the four fiscal year quarters may not equal the displayed fiscal year values, which are consistent with budget data.
4. In previous years, this article displayed the estimated effect of annual pay raises for federal employees on the quarterly pattern of defense and nondefense consumption expenditures. Beginning with the 2018 comprehensive update of the NIPAs, the effects of annual pay raises are spread throughout the year and no longer have a notable impact on the pattern of these estimates. The effect of annual pay raises can still be observed in the quarterly pattern of defense and nondefense consumption expenditures before seasonal adjustment, as published in [NIPA table 8.3](#).