

Government Receipts and Expenditures

First Quarter of 2022

By Kelly Ramey

Net government saving, the difference between current receipts and current expenditures in the federal government and state and local governments, was $-\$898.5$ billion in the first quarter of 2022, increasing $\$513.7$ billion from $-\$1,412.2$ billion in the fourth quarter of 2021 (charts 1 and 2 and table 1).

“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 $\$715.6$ billion in the first quarter, decreasing $\$849.9$ billion from $\$1,565.5$ billion in the fourth quarter (charts 3 and 4 and table 1).

**Chart 1. Current Receipts and Expenditures:
 Change from Preceding Quarter**

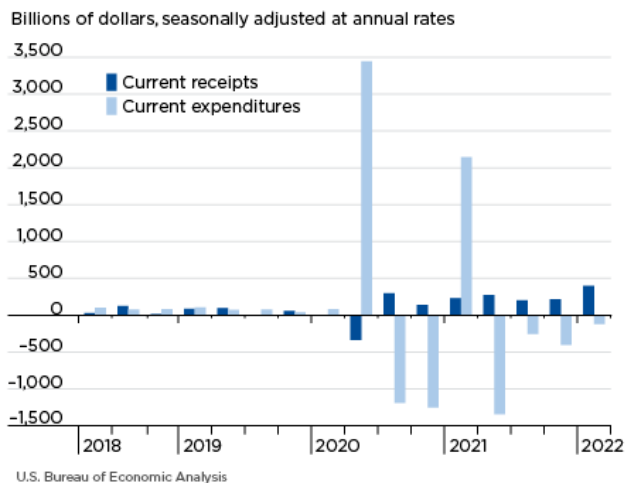
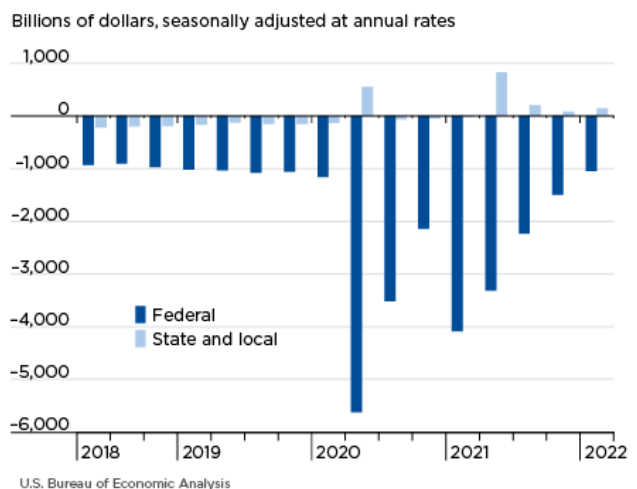


Chart 2. Net Saving



**Chart 3. Total Receipts and Expenditures:
Change from Preceding Quarter**

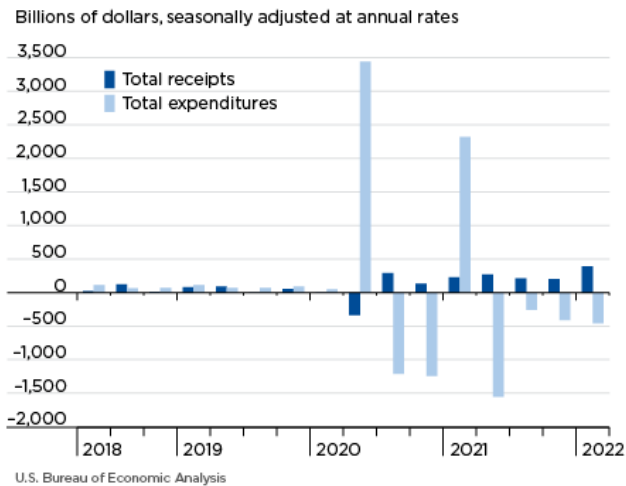


Chart 4. Net Lending or Net Borrowing

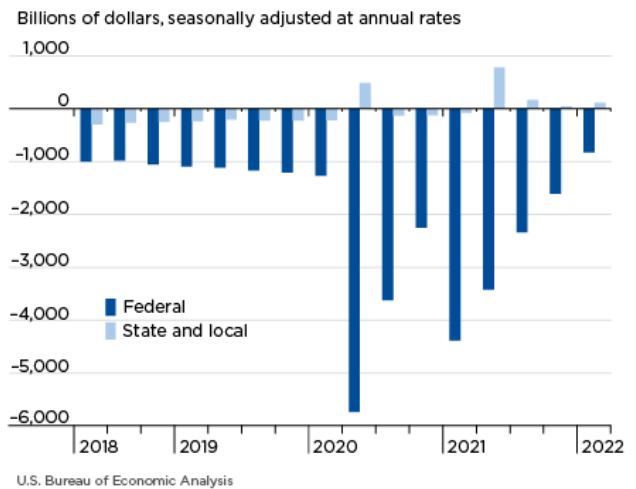


Table 1. Net Government Saving and Net Lending or Net Borrowing
(Billions of dollars, seasonally adjusted at annual rates)

Line		Level	Change from preceding quarter			
		2022	2021			2022
		I	II	III	IV	I
1	Current receipts	7,391.5	275.2	202.4	215.5	396.6
2	Current expenditures	8,290.0	-1,341.6	-251.5	-402.3	-117.1
3	Net government saving	-898.5	1,616.6	454.0	617.8	513.7
4	Federal	-1,042.2	776.2	1,077.1	737.5	455.9
5	State and local	143.6	840.5	-623.1	-119.7	57.7
6	Net lending or net borrowing (-)	-715.6	1,821.0	469.4	606.5	849.9
7	Federal	-824.3	964.5	1,081.3	731.7	781.9
8	State and local	108.8	856.6	-612.0	-125.1	68.0

Federal Government

Net federal government saving was $-\$1,042.2$ billion in the first quarter, increasing $\$455.9$ billion from $-\$1,498.1$ billion in the fourth quarter (table 2). In the first quarter, current receipts accelerated and current expenditures decreased less relative to the fourth quarter.

Federal government net borrowing was $\$824.3$ billion in the first quarter, decreasing $\$781.9$ billion from $\$1,606.2$ billion in the fourth quarter.

Coronavirus (COVID-19) Impact on the First-Quarter 2022 Federal Government Receipts and Expenditures Estimate

The first-quarter estimate for federal government receipts and expenditures reflected the continued economic impact of the COVID-19 pandemic. Government assistance payments in the form of forgivable loans to businesses, grants to state and local governments, and social benefits to households all decreased as provisions of several federal programs expired or tapered off. The full economic effects of the COVID-19 pandemic cannot be quantified in the federal government receipts and expenditures estimate for the first quarter of 2022, because the impacts are generally embedded in source data and cannot be separately identified. For more information, see the table “[Effects of Selected Federal Pandemic Response Programs on Federal Government Receipts, Expenditures, and Saving.](#)”

- Personal current taxes (line 3) accelerated in the first quarter, increasing $\$213.1$ billion after increasing $\$89.9$ billion in the fourth quarter, reflecting an acceleration in nonwithheld taxes. The acceleration in nonwithheld taxes reflected an acceleration in declarations and final settlements and a downturn in refunds.
- Taxes on production and imports (line 4) accelerated in the first quarter. Customs duties accelerated in the first quarter, increasing $\$12.9$ billion after increasing $\$5.3$ billion in the fourth quarter, primarily reflecting an acceleration in the volume of imports. Excise taxes also accelerated, reflecting an upturn in taxes on air transport.
- Contributions for government social insurance (line 7) decelerated in the first quarter, reflecting the pattern of wages. Contributions for FICA (Federal Insurance Contributions Act) by employers, employees, and the self-employed decelerated. Partially offsetting the deceleration, contributions for Medicare were boosted $\$5.2$ billion as a result of premium increases.
- Income receipts on assets (line 8) accelerated in the first quarter, reflecting an acceleration in dividends from Federal Reserve banks.
- Current transfer receipts (line 9) turned down in the first quarter, reflecting downturns in current transfer receipts from the rest of the world and current transfer receipts from business. The downturn in current transfer receipts from the rest of the world reflects a decrease in fines paid by foreign businesses. The downturn in current transfer receipts from business reflected a larger decrease in net insurance settlements.
- Current surplus of government enterprises (line 10) decreased more in the first quarter, decreasing $\$3.5$ billion after decreasing $\$0.7$ billion in the fourth quarter, reflecting a decrease in the operating surplus of the Federal Housing Administration.

- Government social benefits to persons (line 17) decreased less in the first quarter, decreasing \$55.6 billion after decreasing \$200.0 billion in the fourth quarter. The smaller decrease in the first quarter reflects a smaller decrease in unemployment benefits. The child tax credit payments enacted by the American Rescue Plan Act turned down; prepayments that began in the third quarter were scheduled through the end of 2021 with the remainder of the credits disbursed through 2022. Transfers to nonprofit institutions turned down, reflecting a downturn in transfers from the Public Health and Social Services Emergency Fund. Supplemental Nutrition Assistance Program (SNAP) benefits turned down in the first quarter. These decreases were partially offset by an acceleration in social security benefits, reflecting a 5.9 percent cost-of-living adjustment.
- Grants-in-aid to state and local governments (line 20) turned up in the first quarter, reflecting a smaller decrease in general economic and labor affairs grants and an acceleration in Medicaid grants. The smaller decrease in general economic and labor affairs reflected decreased funding from the Coronavirus State and Local Fiscal Recovery Funds to help state and local governments bridge budget shortfalls.
- Other current transfer payments to the rest of the world (line 21) turned up in the first quarter, reflecting an upturn in grants to the rest of the world.
- Interest payments (line 22) decelerated in the first quarter, reflecting a deceleration in interest paid on Treasury Inflation-Protected Securities.
- Subsidies (line 23) decreased less in the first quarter, reflecting the expiration of subsidies related to many of the pandemic response programs, including the Paycheck Protection Program loans to businesses, tax credits to fund paid sick leave, employee retention tax credit, and restaurant revitalization subsidies. Other pandemic-related subsidies turned down, including the emergency grants to closed entertainment venues and Public Health and Social Services Emergency Fund to private hospitals.

Table 2. Federal Government Current Receipts and Expenditures

(Billions of dollars, seasonally adjusted at annual rates)

Line		Level	Change from preceding quarter			
		2022	2021			2022
		I	II	III	IV	I
1	Current receipts	4,750.4	195.2	147.0	140.6	285.0
2	Current tax receipts	2,848.9	134.3	96.7	91.7	232.2
3	Personal current taxes	2,339.0	94.2	89.9	89.9	213.1
4	Taxes on production and imports	193.2	11.6	-4.9	5.4	14.9
5	Taxes on corporate income	283.4	28.6	10.9	-4.7	2.2
6	Taxes from the rest of the world	33.3	-0.1	1.0	1.1	1.9
7	Contributions for government social insurance	1,682.0	37.8	38.7	44.6	43.0
8	Income receipts on assets	168.3	29.5	11.1	3.1	15.1
9	Current transfer receipts	55.6	-6.1	-1.1	1.9	-1.9
10	Current surplus of government enterprises	-4.5	-0.3	1.6	-0.7	-3.5
11	Current expenditures	5,792.6	-580.9	-930.1	-596.9	-170.9
12	Consumption expenditures	1,195.1	-11.8	-12.0	-0.5	-0.5
13	National defense	705.9	2.6	0.3	-2.7	-1.7
14	Nondefense	489.2	-14.5	-12.3	2.3	1.1
15	Current transfer payments	3,887.0	-863.7	-783.3	-376.5	-34.7
16	Government social benefits	2,909.1	-1,705.7	-237.0	-200.7	-54.9
17	To persons	2,880.7	-1,698.3	-236.0	-200.0	-55.6
18	To the rest of the world	28.4	-7.4	-1.0	-0.7	0.7
19	Other current transfer payments	977.9	842.0	-546.4	-175.8	20.2
20	Grants-in-aid to state and local governments	916.3	850.7	-575.1	-152.9	12.1
21	To the rest of the world	61.6	-8.7	28.7	-22.9	8.1
22	Interest payments	561.1	1.3	7.8	29.9	19.6
23	Subsidies	149.4	293.2	-142.5	-249.8	-155.3
24	Net federal government saving	-1,042.2	776.2	1,077.1	737.5	455.9
25	Social insurance funds	-387.7	119.8	228.4	247.5	-34.5
26	Other	-654.5	656.4	848.7	490.0	490.4
Addenda:						
27	Total receipts	4,776.1	195.8	149.3	142.3	285.7
28	Current receipts	4,750.4	195.2	147.0	140.6	285.0
29	Capital transfer receipts	25.7	0.5	2.3	1.7	0.7
30	Total expenditures	5,600.5	-768.6	-932.1	-589.4	-496.1
31	Current expenditures	5,792.6	-580.9	-930.1	-596.9	-170.9
32	Gross government investment	374.9	6.4	10.8	4.6	4.4
33	Capital transfer payments	93.7	-207.8	10.7	-9.2	2.3
34	Net purchases of nonproduced assets	-324.4	18.0	-17.9	18.2	-324.4
35	Less: Consumption of fixed capital	336.3	4.4	5.5	6.2	7.5
36	Net lending or net borrowing (-)	-824.3	964.5	1,081.3	731.7	781.9

Source Data and Other Information About 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 U.S. 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 National Income and Product Accounts (NIPA) table 3.2. Detailed annual estimates of these transactions by component are available in NIPA tables 3.4, 3.5, 3.6, 3.7, 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 reconciliations of the NIPA estimates with the federal budget, see NIPA table 3.18b.

1. See Mark S. Ludwick and Brendan I. Brankin, “[NIPA Translation of the Fiscal Year 2020 Federal Budget](#),” *Survey of Current Business* 99 (May 2019).

State and Local Government

Net state and local government saving was \$143.6 billion in the first quarter, increasing \$57.7 billion from \$85.9 billion in the fourth quarter. In the first quarter, current receipts turned up and current expenditures accelerated relative to the fourth quarter (table 3).

State and local government net lending was \$108.8 billion, increasing \$68.0 billion from \$40.8 billion in the fourth quarter.

- Personal current taxes (line 3) accelerated in the first quarter, reflecting an acceleration in personal income taxes.
- Taxes on production and imports (line 4) decelerated in the first quarter, reflecting decelerations in sales taxes and severance taxes.
- Federal grants-in-aid (line 9) turned up in the first quarter reflecting a smaller decrease in general economic and labor affairs grants and an acceleration in Medicaid grants. The smaller decrease in general economic and labor affairs reflected decreased funding from the Coronavirus State and Local Fiscal Recovery Funds to help state and local governments bridge budget shortfalls.
- Current surplus of government enterprises (line 11) turned up in the first quarter, reflecting an increase in federal subsidies to mass transit enterprises.
- Consumption expenditures (line 13) accelerated in the first quarter, reflecting an acceleration in purchases of petroleum and an acceleration in compensation of general government employees.
- Government social benefits (line 14) accelerated in the first quarter, reflecting an upturn in general assistance benefits and an acceleration in Medicaid benefits.

Table 3. State and Local Government Current Receipts and Expenditures
(Billions of dollars, seasonally adjusted at annual rates)

Line		Level	Change from preceding quarter			
		2022	2021			2022
		I	II	III	IV	I
1	Current receipts	3,557.4	930.7	-519.7	-77.9	123.6
2	Current tax receipts	2,368.2	77.3	45.5	77.3	108.6
3	Personal current taxes	671.7	26.2	18.7	24.0	42.6
4	Taxes on production and imports	1,541.1	44.6	23.3	33.4	25.9
5	Taxes on corporate income	155.4	6.4	3.4	20.1	40.0
6	Contributions for government social insurance	22.9	0.7	0.6	0.3	0.1
7	Income receipts on assets	100.5	0.3	0.7	0.9	0.9
8	Current transfer receipts	1,075.0	848.2	-574.3	-151.8	13.0
9	Federal grants-in-aid	916.3	850.7	-575.1	-152.9	12.1
10	Other	158.7	-2.5	0.8	1.0	1.0
11	Current surplus of government enterprises	-9.3	4.1	8.0	-4.7	0.9
12	Current expenditures	3,413.7	90.2	103.4	41.7	65.9
13	Consumption expenditures	2,180.3	48.8	65.3	38.7	61.0
14	Government social benefits	948.5	35.5	47.7	6.0	9.3
15	Interest payments	284.2	-0.1	-1.7	-3.0	-4.4
16	Subsidies	0.7	6.1	-8.0	0.0	0.1
17	Net state and local government saving	143.6	840.5	-623.1	-119.7	57.7
18	Social insurance funds	6.0	0.6	0.5	0.4	0.3
19	Other	137.6	839.9	-623.6	-120.1	57.4
Addenda:						
20	Total receipts	3,641.0	933.6	-511.5	-88.5	125.5
21	Current receipts	3,557.4	930.7	-519.7	-77.9	123.6
22	Capital transfer receipts	83.7	2.9	8.1	-10.5	2.0
23	Total expenditures	3,532.3	77.0	100.4	36.7	57.6
24	Current expenditures	3,413.7	90.2	103.4	41.7	65.9
25	Gross government investment	450.3	-4.9	5.0	5.1	2.9
26	Capital transfer payments					
27	Net purchases of nonproduced assets	19.1	0.3	0.4	0.3	0.2
28	Less: Consumption of fixed capital	350.8	8.7	8.2	10.5	11.4
29	Net lending or net borrowing (-)	108.8	856.6	-612.0	-125.1	68.0

Source Data and Other Information About 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 U.S. 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 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 U.S. 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 the National Income and Product Account (NIPA) table 3.3. Detailed annual estimates of state and local government transactions by component are available in NIPA tables 3.4, 3.5, 3.6, 3.7, 3.8, 3.12, and 3.13, and quarterly estimates for selected series are available in NIPA [underlying detail](#) tables. For a historical time series of reconciliations of the NIPA estimates with the Census 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

1. See Bruce E. Baker, “[Receipts and Expenditures of State Governments and of Local Governments](#),” *Survey of Current Business* 85 (October 2005): 5–10.