

Government Receipts and Expenditures

Fourth Quarter of 2022

By Kelly Ramey | April 13, 2023

Net government saving, the difference between current receipts and current expenditures in the federal government and state and local governments, was $-\$1,326.5$ billion in the fourth quarter of 2022, decreasing $\$230.8$ billion from $-\$1,095.7$ billion in the third quarter of 2022 (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 $\$1,438.5$ billion in the fourth quarter, increasing $\$248.1$ billion from $\$1,190.4$ billion in the third quarter (charts 3 and 4 and table 1).

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

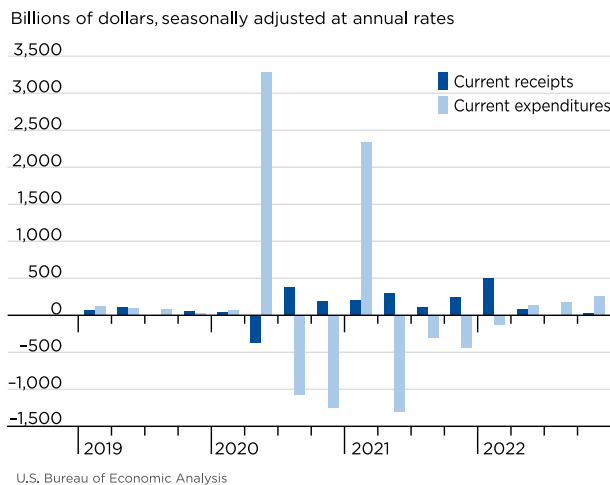
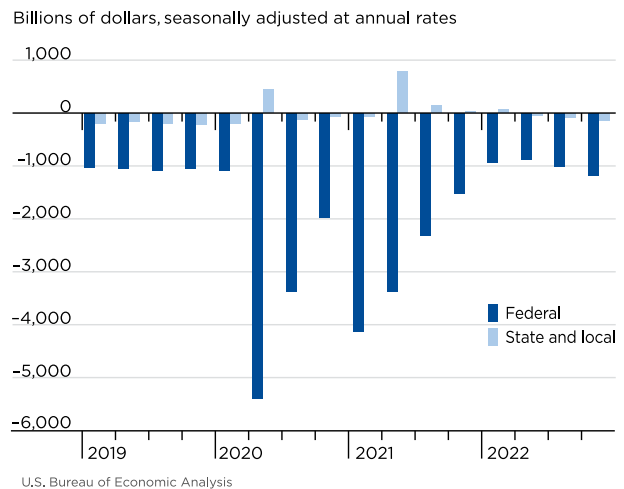
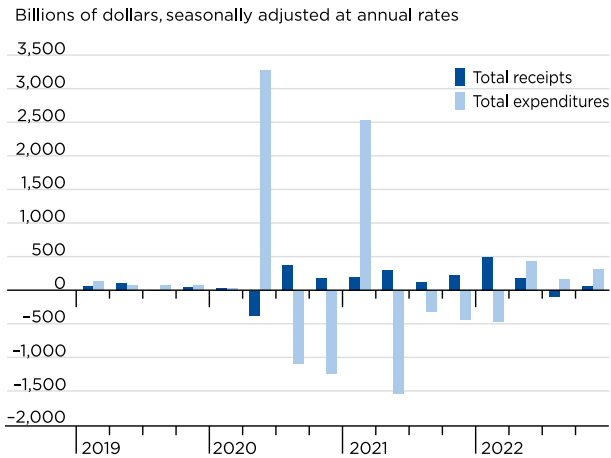


Chart 2. Net Saving

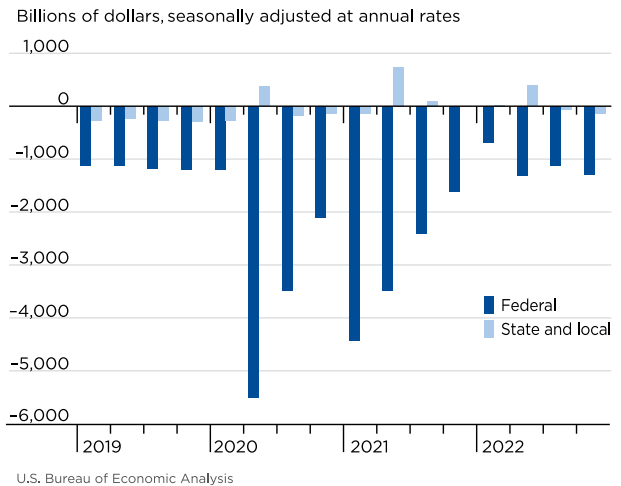


**Chart 3. Total Receipts and Expenditures:
Change from Preceding Quarter**



U.S. Bureau of Economic Analysis

Chart 4. Net Lending or Net Borrowing



U.S. Bureau of Economic Analysis

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

Line	Component	Level	Change from preceding quarter			
		2022	2022			
		Q4	Q1	Q2	Q3	Q4
1	Current receipts	7,638.6	497.0	77.1	-6.5	27.0
2	Current expenditures	8,965.1	-130.5	133.2	171.5	257.8
3	Net government saving	-1,326.5	627.5	-56.2	-177.9	-230.8
4	Federal	-1,185.7	595.0	49.1	-135.8	-170.0
5	State and local	-140.8	32.5	-105.3	-42.1	-60.8
6	Net lending or net borrowing (-)	-1,438.5	967.0	-257.0	-261.9	-248.1
7	Federal	-1,296.8	926.6	-626.9	194.3	-169.9
8	State and local	-141.7	40.4	369.9	-456.2	-78.2

Federal Government

Net federal government saving was $-\$1,185.7$ billion in the fourth quarter, decreasing $\$170.0$ billion from $-\$1,015.7$ billion in the third quarter (table 2). In the fourth quarter, current receipts decreased less, and current expenditures accelerated relative to the third quarter.

Federal government net borrowing was $\$1,296.8$ billion in the fourth quarter, increasing $\$169.9$ billion from $\$1,126.9$ billion in the third quarter.

- Personal current taxes (line 3) decelerated in the fourth quarter, increasing $\$8.4$ billion after increasing $\$43.1$ billion in the third quarter, reflecting a deceleration in withheld taxes. The deceleration in withheld taxes reflects the pattern of wages. Nonwithheld taxes turned down in the fourth quarter, decreasing $\$9.6$ billion after increasing $\$4.1$ billion in the third quarter.
- Taxes on production and imports (line 4) decreased more in the fourth quarter. Customs duties decreased $\$11.6$ billion after decreasing $\$6.9$ billion in the third quarter, primarily reflecting the continued decrease in the volume of imports. This was slightly offset by an acceleration in excise taxes, which increased $\$1.2$ billion after increasing $\$0.3$ billion in the third quarter, reflecting an upturn in taxes on alcoholic beverages.
- Contributions for government social insurance (line 7) decelerated in the fourth quarter, increasing $\$25.0$ billion after increasing $\$40.9$ billion in the third quarter, reflecting the pattern of wages.
- Income receipts on assets (line 8) decreased less in the fourth quarter, reflecting a smaller decrease in dividends from Federal Reserve banks. Federal Reserve dividends have decreased in recent quarters as the regional banks have become less profitable. As interest rates have risen, the interest expenses of the Federal Reserve banks have grown and now exceed the income they earn on their asset holdings. When the Federal Reserve experiences losses, it creates a deferred asset, which is effectively an IOU to itself. The Federal Reserve banks will apply future earnings against these deferred assets and will not resume paying dividends to the U.S. Treasury until the deferred amounts are fully settled.
- Current transfer receipts (line 9) turned up in the fourth quarter, reflecting upturns in current transfer receipts from business and current transfer receipts from the rest of the world. The upturn in current transfer receipts from business reflects a $\$1.7$ billion ($\$6.8$ billion at an annual rate) settlement with Wells Fargo for consumer loan abuses and a $\$0.3$ billion ($\$1.3$ billion at an annual rate) settlement with U.S. affiliates of Glencore for bribery and market manipulation. The upturn in current transfer receipts from the rest of the world reflects an increase in fines paid by foreign businesses; in the fourth quarter, fines were paid by Danske Bank, Lafarge and Glencore.
- Current surplus of government enterprises (line 10) turned up in the fourth quarter, increasing $\$5.1$ billion after decreasing $\$0.4$ billion in the third quarter, reflecting an upturn in the current surplus of the U.S. Postal Service. The upturn largely reflects a rate increase.
- Consumption expenditures (line 12) decelerated, increasing $\$27.7$ billion in the fourth quarter after increasing $\$29.9$ billion in the third quarter, reflecting a deceleration in national defense consumption expenditures that was partially offset by an acceleration in nondefense consumption expenditures. The deceleration in national defense consumption expenditures reflects decelerations in spending for defense services and compensation of general government employees. The acceleration in nondefense consumption expenditures reflects a larger decrease in sales to other sectors, specifically a decrease in Strategic Petroleum Reserve sales.

- Government social benefits to persons (line 17) turned up in the fourth quarter, increasing \$42.7 billion after decreasing \$6.4 billion in the third quarter. The upturn in the fourth quarter reflects an upturn in Supplemental Nutrition Assistance Program (SNAP) benefits, which were boosted \$3.7 billion (\$14.9 billion at an annual rate) as a result of a cost-of-living adjustment in October. Medicare benefits accelerated and transfers to nonprofits from the Public Health and Social Services Emergency Fund decreased less.
- Grants-in-aid to state and local governments (line 20) decreased less in the fourth quarter, reflecting upturns in education grants and public order and safety grants. Health grants decelerated in the fourth quarter.
- Other current transfer payments to the rest of the world (line 21) turned down. Third-quarter transfer payments were boosted by an increase in U.S. Agency for International Development grants to provide support to Ukraine for global health programs and for migration and refugee assistance.
- Interest payments (line 22) accelerated in the fourth quarter, reflecting an acceleration in interest paid to persons and business. The acceleration reflects an increase in interest paid on treasury bills and notes in the fourth quarter and an increase in interest paid on Treasury Inflation-Protected Securities.
- Subsidies (line 23) decreased less in the fourth quarter, decreasing \$3.0 billion after decreasing \$9.1 billion in the third quarter, reflecting a smaller decrease in the Public Health and Social Services Emergency Fund.
- Capital transfer payments (line 33) decreased less in the fourth quarter. Capital transfers to state and local governments decreased less, reflecting a smaller decrease in capital grants for the Coronavirus State and Local Fiscal Recovery Funds authorized by the [American Rescue Plan Act](#) to help state and local governments support their response to and recovery from the COVID-19 public health emergency. In addition, capital transfer payments to business accelerated, reflecting debt forgiveness for farmers authorized by the Inflation Reduction Act. A downturn in disaster-related insurance benefits was partially offsetting; third-quarter insurance benefits were boosted \$10.0 billion (\$40.0 billion at an annual rate) by insurance settlements related to Hurricane Ian from the National Flood Insurance Program.
- Net purchases of nonproduced assets (line 34) turned up in the fourth quarter. Third-quarter net purchases reflected receipts from a Federal Communications Commission spectrum auction of rights to broadcast at certain frequencies.

Table 2. Federal Government Current Receipts and Expenditures

[Billions of dollars, seasonally adjusted at annual rates]

Line	Component	Level	Change from preceding quarter			
		2022	2022			
		Q4	Q1	Q2	Q3	Q4
1	Current receipts	5,043.8	406.8	92.7	-7.5	-4.0
2	Current tax receipts	3,209.5	354.6	82.7	23.3	-10.4
3	Personal current taxes	2,650.1	328.9	34.5	43.1	8.4
4	Taxes on production and imports	192.4	14.8	7.0	-6.6	-10.4
5	Taxes on corporate income	332.2	9.0	39.4	-12.6	-8.4
6	Taxes from the rest of the world	34.9	1.9	1.7	-0.4	0.0
7	Contributions for government social insurance	1,702.7	39.0	19.7	40.9	25.0
8	Income receipts on assets	53.1	18.8	-18.7	-57.9	-40.0
9	Current transfer receipts	78.7	-2.6	12.1	-13.3	16.2
10	Current surplus of government enterprises	-0.2	-3.0	-3.1	-0.4	5.1
11	Current expenditures	6,229.5	-188.2	43.6	128.3	166.0
12	Consumption expenditures	1,305.9	-0.2	4.8	29.9	27.7
13	National defense	751.4	-1.9	18.1	16.6	8.3
14	Nondefense	554.5	1.8	-13.4	13.3	19.4
15	Current transfer payments	3,960.2	-47.0	15.3	19.1	25.5
16	Government social benefits	2,912.0	-73.1	-16.2	-5.6	42.6
17	To persons	2,882.8	-74.4	-16.5	-6.4	42.7
18	To the rest of the world	29.2	1.2	0.4	0.8	-0.2
19	Other current transfer payments	1,048.2	26.1	31.4	24.8	-17.1
20	Grants-in-aid to state and local governments	953.3	15.3	20.5	-7.1	-0.1
21	To the rest of the world	94.9	10.7	11.0	31.9	-17.0
22	Interest payments	852.6	2.9	45.2	88.3	115.8
23	Subsidies	110.8	-143.8	-21.6	-9.1	-3.0
24	Net federal government saving	-1,185.7	595.0	49.1	-135.8	-170.0
25	Social insurance funds	-466.7	-25.7	16.9	26.6	-9.9
26	Other	-719.1	620.6	32.4	-162.5	-160.2
Addenda:						
27	Total receipts	5,074.6	407.5	92.8	-6.0	-5.6
28	Current receipts	5,043.8	406.8	92.7	-7.5	-4.0
29	Capital transfer receipts	30.8	0.7	0.1	1.5	-1.6
30	Total expenditures	6,371.4	-519.1	719.7	-200.3	164.3
31	Current expenditures	6,229.5	-188.2	43.6	128.3	166.0
32	Gross government investment	387.9	0.5	4.8	4.5	9.0
33	Capital transfer payments	109.9	0.0	371.6	-254.3	-96.5
34	Net purchases of nonproduced assets	-0.4	-324.3	307.0	-73.2	90.1
35	Less: Consumption of fixed capital	355.4	7.1	7.3	5.5	4.3
36	Net lending or net borrowing (-)	-1,296.8	926.6	-626.9	194.3	-169.9

Source Data and Other Information About Federal 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, the Bureau of Economic Analysis 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.

Footnote

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 $-\$140.8$ billion in the fourth quarter, decreasing $\$60.8$ billion from $-\$80.0$ billion in the third quarter. In the fourth quarter, current receipts turned up and current expenditures accelerated relative to the third quarter (table 3).

In the fourth quarter, net borrowing was $\$141.7$ billion, increasing $\$78.2$ billion from $\$63.5$ billion in the third quarter.

- Personal current taxes (line 3) turned down in the fourth quarter, reflecting a downturn in personal income taxes.
- Taxes on production and imports (line 4) decelerated in the fourth quarter, reflecting a downturn in state sales taxes.
- Taxes on corporate income (line 5) turned up in the fourth quarter, increasing $\$16.4$ billion after decreasing $\$9.1$ billion in the third quarter.
- Federal grants-in-aid (line 9) decreased less in the fourth quarter, reflecting upturns in education grants and public order and safety grants. Health grants decelerated in the fourth quarter.
- Other current transfer receipts (line 10) turned up in the fourth quarter, increasing $\$25.8$ billion after decreasing $\$9.3$ billion, reflecting an upturn in current transfer receipts from the rest of the world. Fourth-quarter receipts reflected two settlements totaling $\$6.7$ billion ($\$26.8$ billion at an annual rate) by Teva Pharmaceuticals and Allergan with multiple state governments to resolve opioid-related claims. Current transfer receipts from business decreased less in the fourth quarter; third-quarter receipts were boosted by a $\$0.5$ billion ($\$1.98$ billion at an annual rate) fine paid to the New York state government by U.S. affiliates of Credit Suisse to settle a case related to mortgage-linked investments in the United States.
- Current surplus of government enterprises (line 11) decreased more in the fourth quarter, reflecting a larger decrease in federal subsidies to mass transit enterprises.
- Consumption expenditures (line 13) accelerated in the fourth quarter, reflecting an increase in spending for intermediate goods and services, specifically nondurable goods.
- Government social benefits (line 14) accelerated in the fourth quarter, increasing $\$63.0$ billion after increasing $\$20.2$ billion in the third quarter, largely reflecting an increase in state stimulus payments to individuals. More information can be found in the FAQ [“How are state refundable tax credits recorded in the National Income and Product Accounts \(NIPAs\)?”](#). In addition, Medicaid benefits turned up.
- Capital transfer receipts (line 22) decreased less in the fourth quarter, decreasing $\$20.4$ billion after decreasing $\$388.2$ billion in the third quarter, reflecting a smaller decrease in capital grants for the Coronavirus State and Local Fiscal Recovery Funds provided to help state and local governments support their response to and recovery from the COVID-19 pandemic. More information can be found in the FAQ [“How was federal assistance to the states authorized by the American Rescue Plan recorded in the NIPAs?”](#). Fourth-quarter capital transfers also reflected settlements totaling $\$13.4$ billion ($\$53.6$ billion at an annual rate) between CVS, Walmart, and Walgreens and the states to assist states affected by the opioid epidemic. More information can be found in the FAQ [“How do the 2022 national opioid settlements impact the NIPAs?”](#).

Table 3. State and Local Government Current Receipts and Expenditures

[Billions of dollars, seasonally adjusted at annual rates]

Line	Component	Level	Change from preceding quarter				
		2022	2022				
		Q4	Q1	Q2	Q3	Q4	
1	Current receipts	3,548.1	105.4	4.9	-6.1	30.9	
2	Current tax receipts	2,285.9	87.9	-29.2	12.1	8.1	
3	Personal current taxes	582.2	10.5	8.5	5.0	-12.6	
4	Taxes on production and imports	1,586.6	22.0	18.4	16.2	4.3	
5	Taxes on corporate income	117.1	55.4	-56.1	-9.1	16.4	
6	Contributions for government social insurance	24.5	0.0	0.2	0.3	0.6	
7	Income receipts on assets	110.5	0.5	0.3	0.8	1.3	
8	Current transfer receipts	1,133.0	17.9	35.4	-16.4	25.7	
9	Federal grants-in-aid	953.3	15.3	20.5	-7.1	-0.1	
10	Other	179.7	2.6	14.9	-9.3	25.8	
11	Current surplus of government enterprises	-5.8	-0.8	-1.8	-3.0	-4.7	
12	Current expenditures	3,688.9	73.0	110.1	36.0	91.7	
13	Consumption expenditures	2,378.2	58.4	87.1	20.4	32.2	
14	Government social benefits	1,045.9	19.5	28.0	20.2	63.0	
15	Interest payments	264.1	-4.9	-5.0	-4.6	-3.5	
16	Subsidies	0.7	0.0	0.0	0.0	0.0	
17	Net state and local government saving	-140.8	32.5	-105.3	-42.1	-60.8	
18	Social insurance funds	6.3	-0.6	-0.2	0.3	0.7	
19	Other	-147.1	33.0	-105.0	-42.4	-61.5	
Addenda:							
20	Total receipts	3,686.6	105.2	472.3	-394.4	10.6	
21	Current receipts	3,548.1	105.4	4.9	-6.1	30.9	
22	Capital transfer receipts	138.5	-0.2	467.4	-388.2	-20.4	
23	Total expenditures	3,828.2	64.8	102.4	61.8	88.7	
24	Current expenditures	3,688.9	73.0	110.1	36.0	91.7	
25	Gross government investment	503.4	5.9	4.8	25.5	13.4	
26	Capital transfer payments	
27	Net purchases of nonproduced assets	17.7	0.2	0.2	0.0	0.1	
28	Less: Consumption of fixed capital	381.7	14.4	12.6	9.8	6.4	
29	Net lending or net borrowing (-)	-141.7	40.4	369.9	-456.2	-78.2	

... Data not available

Source Data and Other Information About State and Local Estimates

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 (Census) 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 National Income and Product Accounts (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

Footnote

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



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