

# Government Receipts and Expenditures

## First Quarter of 2023

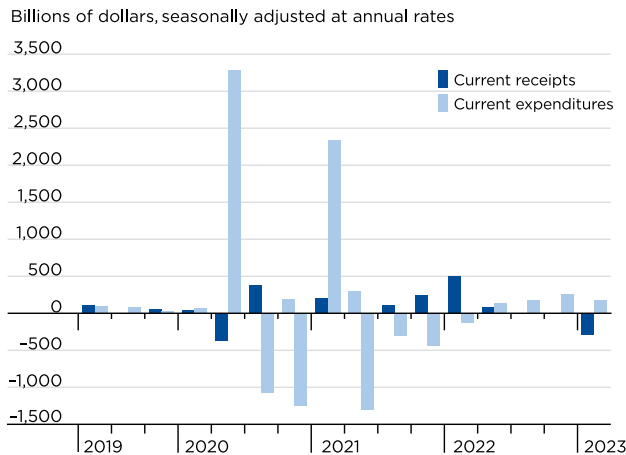
By Andrea Cook | July 12, 2023

Net government saving, the difference between current receipts and current expenditures in the federal government and state and local governments, was  $-\$1,832.6$  billion in the first quarter of 2023, decreasing  $\$472.5$  billion from  $-\$1,360.1$  billion in the fourth 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.

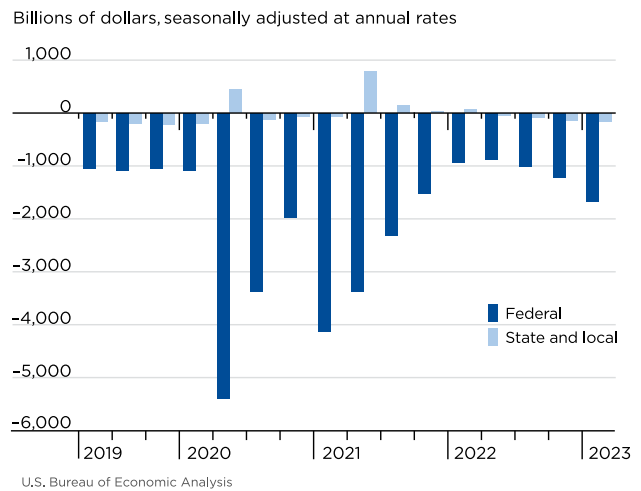
Net borrowing was  $\$2,013.0$  billion in the first quarter, increasing  $\$540.9$  billion from  $\$1,472.1$  billion in the fourth quarter (charts 3 and 4 and table 1).

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



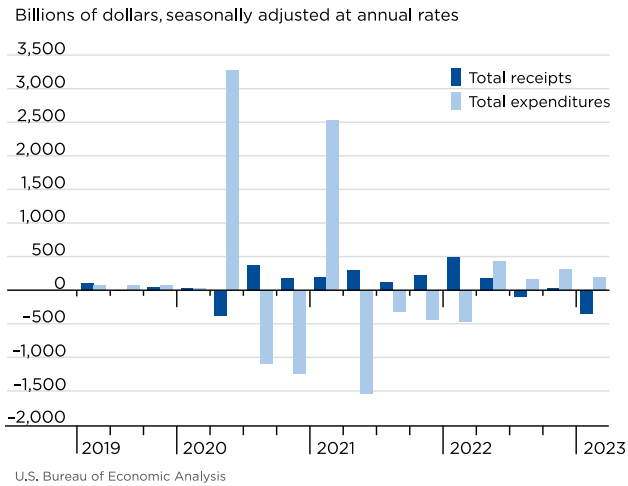
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**Chart 2. Net Saving**

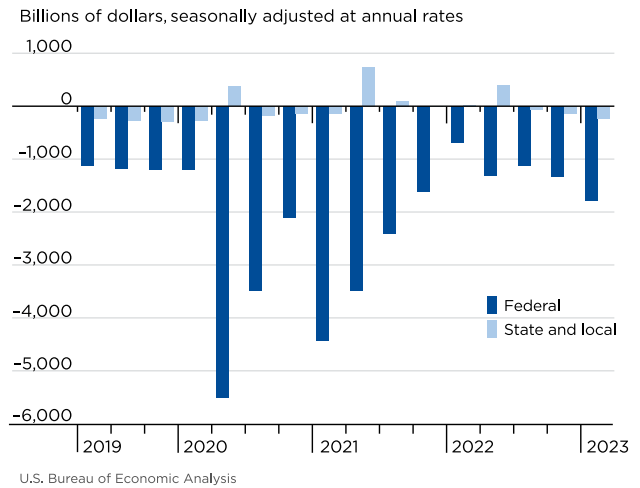


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**Chart 3. Total Receipts and Expenditures:  
Change from Preceding Quarter**



**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	Component	Level	Change from preceding quarter			
		2023	2022			2023
		Q1	Q2	Q3	Q4	Q1
1	Current receipts	7,311.6	77.1	-6.5	-6.6	-293.4
2	Current expenditures	9,144.1	133.2	171.5	257.8	179.0
<b>3</b>	<b>Net government saving</b>	<b>-1,832.6</b>	<b>-56.2</b>	<b>-177.9</b>	<b>-264.4</b>	<b>-472.5</b>
4	Federal	-1,664.0	49.1	-135.8	-203.6	-444.7
5	State and local	-168.6	-105.3	-42.1	-60.8	-27.8
<b>6</b>	<b>Net lending or net borrowing (-)</b>	<b>-2,013.0</b>	<b>-257.0</b>	<b>-261.9</b>	<b>-281.7</b>	<b>-540.9</b>
7	Federal	-1,777.3	-626.9	194.3	-203.5	-446.9
8	State and local	-235.7	369.9	-456.2	-78.2	-94.0

## Federal Government

Net federal government saving was  $-\$1,664.0$  billion in the first quarter, decreasing  $\$444.7$  billion from  $-\$1,219.3$  billion in the fourth quarter (table 2). In the first quarter, current receipts decreased more, and current expenditures accelerated relative to the fourth quarter.

Federal government net borrowing was  $\$1,777.3$  billion in the first quarter, increasing  $\$446.9$  billion from  $\$1,330.4$  billion in the fourth quarter.

- Personal current taxes (line 3) decreased more in the first quarter, decreasing  $\$246.2$  billion after decreasing  $\$7.7$  billion in the fourth quarter, reflecting a larger decrease in nonwithheld taxes. The larger decrease in nonwithheld taxes reflected a downturn in declarations and final settlements and an upturn in refunds. Annual changes for final settlements and refunds, which are primarily based on tax liabilities for previous years, are recorded in the first quarter of the year.
- Taxes on production and imports (line 4) decreased less in the first quarter, decreasing  $\$2.6$  billion after decreasing  $\$10.4$  billion. Customs duties decreased  $\$3.7$  billion after decreasing  $\$11.6$  billion in the fourth quarter, primarily reflecting a smaller decrease in imports.
- Taxes on corporate income (line 5) turned up in the first quarter, increasing  $\$10.4$  billion after decreasing  $\$8.4$  billion in the fourth quarter.
- Contributions for government social insurance (line 7) accelerated in the first quarter, increasing  $\$26.3$  billion after increasing  $\$7.6$  billion in the fourth quarter, reflecting the pattern of wages. Contributions for FICA (Federal Insurance Contributions Act) by employers, employees, and the self-employed accelerated as well as contributions for Supplementary Medical Insurance premiums paid by persons.
- Income receipts on assets (line 8) decreased less in the first quarter, decreasing  $\$9.6$  billion after decreasing  $\$40.0$  billion in the fourth quarter. The smaller decrease reflects the pattern of 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 Federal Reserve banks have grown and largely exceed the income that 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 down in the first quarter, decreasing  $\$15.2$  billion after increasing  $\$16.2$  billion in the fourth quarter, reflecting downturns in current transfer receipts from business and current transfer receipts from the rest of the world. Fourth-quarter receipts from business were boosted by 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. Fourth-quarter receipts from the rest of the world included fines paid by Danske Bank, Lafarge, and Glencore.
- Consumption expenditures (line 12) accelerated, increasing  $\$34.7$  billion in the first quarter after increasing  $\$27.7$  billion in the fourth quarter, reflecting an acceleration in national defense consumption expenditures. The acceleration in national defense consumption expenditures reflects an acceleration in spending for defense services.

- Government social benefits to persons (line 17) accelerated in the first quarter, increasing \$80.2 billion after increasing \$42.7 billion in the fourth quarter. The acceleration in the first quarter is based on an acceleration in social security benefits, reflecting an 8.7 percent cost-of-living adjustment in January. Payments of health insurance premium tax credits related to the Affordable Care Act (ACA) turned up, reflecting an increase in the number of people enrolled in ACA plans. Partially offsetting these increases, child tax credit payments and Supplemental Nutrition Assistance Program (SNAP) benefits turned down in the first quarter. The downturn in child tax credit payments reflects the end of the expansion of the credit authorized by the American Rescue Plan Act. The downturn in SNAP benefits reflects a return to normal benefit payments, which now exclude emergency supplements that were temporarily authorized by Congress to assist during the COVID-19 pandemic. The Consolidated Appropriations Act, 2023 passed by Congress ended these emergency allotments.
- Grants-in-aid to state and local governments (line 20) turned up in the first quarter, increasing \$27.1 billion after decreasing \$0.1 billion in the fourth quarter. An upturn in Medicaid grants and an acceleration in education grants were partially offset by a downturn in grants for general economic and labor affairs.
- Interest payments (line 22) decelerated in the first quarter, reflecting a deceleration in interest paid on treasury bills and notes in addition to a deceleration in interest paid on Treasury Inflation-Protected Securities.
- Capital transfer payments (line 33) turned up in the first quarter, increasing \$3.6 billion after decreasing \$96.5 billion in the fourth quarter. Capital transfers to the rest of the world accelerated in the first quarter, reflecting support to the war in Ukraine.

**Table 2. Federal Government Current Receipts and Expenditures**

[Billions of dollars, seasonally adjusted at annual rates]

Line	Component	Level	Change from preceding quarter			
		2023	2022			2023
		Q1	Q2	Q3	Q4	Q1
<b>1</b>	<b>Current receipts</b>	<b>4,778.7</b>	<b>92.7</b>	<b>-7.5</b>	<b>-37.6</b>	<b>-231.5</b>
2	Current tax receipts	2,956.0	82.7	23.3	-26.5	-237.4
3	Personal current taxes	2,387.8	34.5	43.1	-7.7	-246.2
4	Taxes on production and imports	189.8	7.0	-6.6	-10.4	-2.6
5	Taxes on corporate income	342.6	39.4	-12.6	-8.4	10.4
6	Taxes from the rest of the world	35.8	1.7	-0.4	0.0	0.9
7	Contributions for government social insurance	1,711.6	19.7	40.9	7.6	26.3
8	Income receipts on assets	43.5	-18.7	-57.9	-40.0	-9.6
9	Current transfer receipts	63.5	12.1	-13.3	16.2	-15.2
10	Current surplus of government enterprises	4.0	-3.1	-0.4	5.1	4.2
<b>11</b>	<b>Current expenditures</b>	<b>6,442.6</b>	<b>43.6</b>	<b>128.3</b>	<b>166.0</b>	<b>213.1</b>
12	Consumption expenditures	1,340.6	4.8	29.9	27.7	34.7
13	National defense	765.8	18.1	16.6	8.3	14.4
14	Nondefense	574.8	-13.4	13.3	19.4	20.3
15	Current transfer payments	4,068.3	15.3	19.1	25.5	108.1
16	Government social benefits	2,994.5	-16.2	-5.6	42.6	82.5
17	To persons	2,963.0	-16.5	-6.4	42.7	80.2
18	To the rest of the world	31.5	0.4	0.8	-0.2	2.3
19	Other current transfer payments	1,073.7	31.4	24.8	-17.1	25.5
20	Grants-in-aid to state and local governments	980.4	20.5	-7.1	-0.1	27.1
21	To the rest of the world	93.3	11.0	31.9	-17.0	-1.6
22	Interest payments	928.9	45.2	88.3	115.8	76.3
23	Subsidies	104.8	-21.6	-9.1	-3.0	-6.0
<b>24</b>	<b>Net federal government saving</b>	<b>-1,664.0</b>	<b>49.1</b>	<b>-135.8</b>	<b>-203.6</b>	<b>-444.7</b>
25	Social insurance funds	-599.4	16.9	26.6	-27.3	-115.3
26	Other	-1,064.6	32.4	-162.5	-176.3	-329.4
<b>Addenda:</b>						
<b>27</b>	<b>Total receipts</b>	<b>4,808.5</b>	<b>92.8</b>	<b>-6.0</b>	<b>-39.2</b>	<b>-232.5</b>
28	Current receipts	4,778.7	92.7	-7.5	-37.6	-231.5
29	Capital transfer receipts	29.8	0.1	1.5	-1.6	-1.0
<b>30</b>	<b>Total expenditures</b>	<b>6,585.8</b>	<b>719.7</b>	<b>-200.3</b>	<b>164.3</b>	<b>214.4</b>
31	Current expenditures	6,442.6	43.6	128.3	166.0	213.1
32	Gross government investment	391.5	4.8	4.5	9.0	3.6
33	Capital transfer payments	113.5	371.6	-254.3	-96.5	3.6
34	Net purchases of nonproduced assets	-0.6	307.0	-73.2	90.1	-0.2
35	Less: Consumption of fixed capital	361.2	7.3	5.5	4.3	5.8
<b>36</b>	<b>Net lending or net borrowing (-)</b>	<b>-1,777.3</b>	<b>-626.9</b>	<b>194.3</b>	<b>-203.5</b>	<b>-446.9</b>

## 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.<sup>1</sup> For a historical time series of reconciliations of the NIPA estimates with the federal budget, see NIPA table 3.18B.

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### 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  $-\$168.6$  billion in the first quarter, decreasing  $\$27.8$  billion from  $-\$140.8$  billion in the fourth quarter. In the first quarter, both current receipts and current expenditures turned down relative to the fourth quarter (table 3).

In the first quarter, net borrowing was  $\$235.7$  billion, increasing  $\$94.0$  billion from  $\$141.7$  billion in the fourth quarter.

- Personal current taxes (line 3) decreased more in the first quarter, reflecting a larger decrease in personal income taxes.
- Taxes on production and imports (line 4) accelerated in the first quarter, reflecting an upturn in state sales taxes.
- Federal grants-in-aid (line 9) turned up in the first quarter, increasing  $\$27.1$  billion after decreasing  $\$0.1$  billion in the fourth quarter. An upturn in Medicaid grants and an acceleration in education grants were partially offset by a downturn in grants for general economic and labor affairs.
- Other current transfer receipts (line 10) turned down in the first quarter, decreasing  $\$26.6$  billion after increasing  $\$25.8$  billion, reflecting a downturn in current transfer receipts from the rest of the world. Fourth-quarter receipts were boosted  $\$6.7$  billion ( $\$26.8$  billion at an annual rate) from two settlements between multiple state governments and Teva Pharmaceuticals and Allergan to resolve opioid-related claims.
- Current surplus of government enterprises (line 11) decreased less in the first quarter, reflecting an acceleration in federal subsidies to housing enterprises and a smaller decrease in federal subsidies to mass transit enterprises.

- Consumption expenditures (line 13) decelerated in the first quarter, reflecting a downturn in spending for nondurable goods, specifically a larger decrease in petroleum.
- Government social benefits (line 14) turned down in the first quarter, decreasing \$22.7 billion after increasing \$63.0 billion in the fourth quarter, largely reflecting a decrease 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 \(NIPAs\)?”](#). The downturn was partially offset by an acceleration in Medicaid benefits.
- Capital transfer receipts (line 22) decreased more in the first quarter, decreasing \$54.5 billion after decreasing \$20.4 billion in the fourth quarter. Fourth-quarter receipts were boosted by settlements totaling \$13.4 billion (\$53.6 billion at an annual rate) between CVS, Walmart, and Walgreens and certain states to assist with the effects of 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			
		2023	2022			2023
		Q1	Q2	Q3	Q4	Q1
<b>1</b>	<b>Current receipts</b>	<b>3,513.4</b>	<b>4.9</b>	<b>-6.1</b>	<b>30.9</b>	<b>-34.7</b>
2	Current tax receipts	2,251.8	-29.2	12.1	8.1	-34.1
3	Personal current taxes	518.4	8.5	5.0	-12.6	-63.8
4	Taxes on production and imports	1,603.6	18.4	16.2	4.3	17.0
5	Taxes on corporate income	129.8	-56.1	-9.1	16.4	12.7
6	Contributions for government social insurance	25.4	0.2	0.3	0.6	0.9
7	Income receipts on assets	111.1	0.3	0.8	1.3	0.6
8	Current transfer receipts	1,133.6	35.4	-16.4	25.7	0.6
9	Federal grants-in-aid	980.4	20.5	-7.1	-0.1	27.1
10	Other	153.1	14.9	-9.3	25.8	-26.6
11	Current surplus of government enterprises	-8.4	-1.8	-3.0	-4.7	-2.6
<b>12</b>	<b>Current expenditures</b>	<b>3,681.9</b>	<b>110.1</b>	<b>36.0</b>	<b>91.7</b>	<b>-7.0</b>
13	Consumption expenditures	2,396.6	87.1	20.4	32.2	18.4
14	Government social benefits	1,023.2	28.0	20.2	63.0	-22.7
15	Interest payments	261.5	-5.0	-4.6	-3.5	-2.6
16	Subsidies	0.7	0.0	0.0	0.0	0.0
<b>17</b>	<b>Net state and local government saving</b>	<b>-168.6</b>	<b>-105.3</b>	<b>-42.1</b>	<b>-60.8</b>	<b>-27.8</b>
18	Social insurance funds	7.5	-0.2	0.3	0.7	1.2
19	Other	-176.1	-105.0	-42.4	-61.5	-29.0
<b>Addenda:</b>						
<b>20</b>	<b>Total receipts</b>	<b>3,597.3</b>	<b>472.3</b>	<b>-394.4</b>	<b>10.6</b>	<b>-89.3</b>
21	Current receipts	3,513.4	4.9	-6.1	30.9	-34.7
22	Capital transfer receipts	84.0	467.4	-388.2	-20.4	-54.5
<b>23</b>	<b>Total expenditures</b>	<b>3,833.1</b>	<b>102.4</b>	<b>61.8</b>	<b>88.7</b>	<b>4.9</b>
24	Current expenditures	3,681.9	110.1	36.0	91.7	-7.0
25	Gross government investment	521.1	4.8	25.5	13.4	17.7
26	Capital transfer payments	...	...	...	...	...
27	Net purchases of nonproduced assets	17.6	0.2	0.0	0.1	-0.1
28	Less: Consumption of fixed capital	387.7	12.6	9.8	6.4	6.0
<b>29</b>	<b>Net lending or net borrowing (-)</b>	<b>-235.7</b>	<b>369.9</b>	<b>-456.2</b>	<b>-78.2</b>	<b>-94.0</b>

... 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).<sup>1</sup>

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### 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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