Government Receipts and Expenditures

First Quarter of 2013

NET GOVERNMENT saving, the difference between current receipts and current expenditures of the federal government and state and local governments, was –$898.5 billion in the first quarter of 2013, increasing $261.9 billion from –$1,160.4 billion in the fourth quarter of 2012.

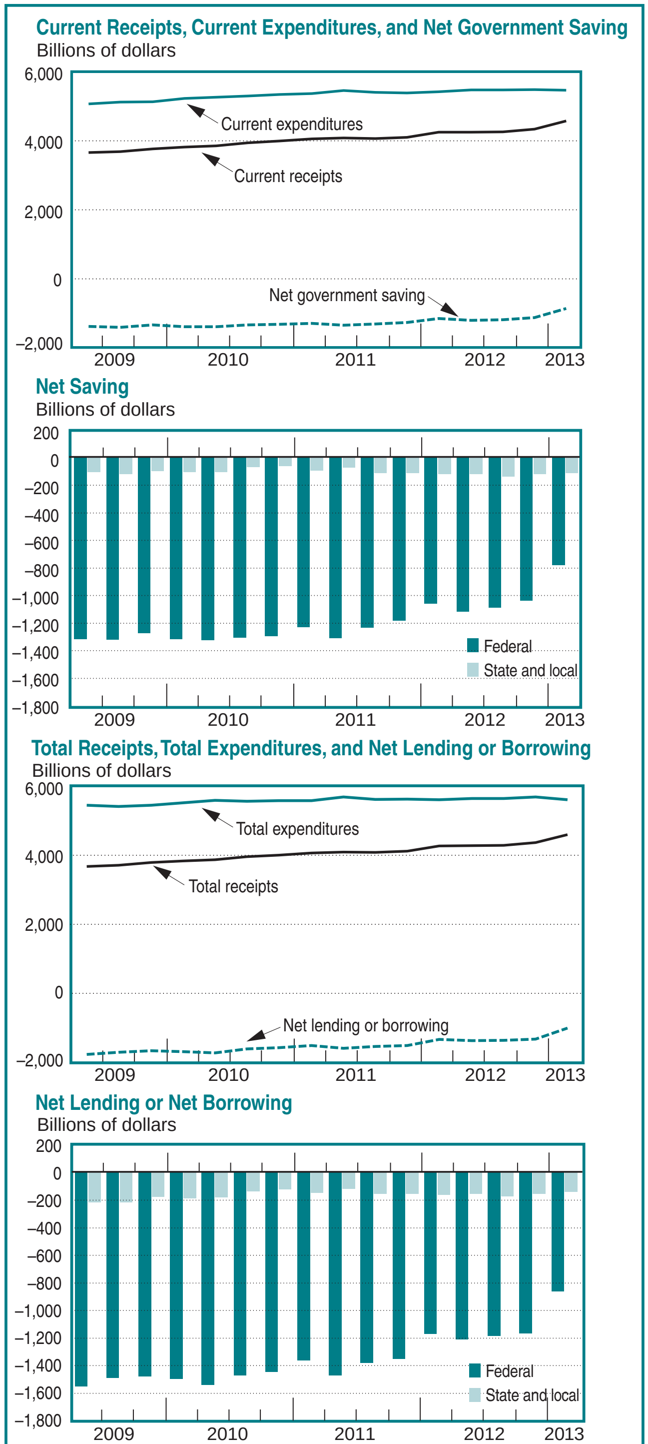
Net federal government saving was –$782.3 billion in the first quarter, increasing $253.5 billion from –$1,035.8 billion in the fourth quarter (see page 12). Current receipts accelerated sharply, and current expenditures turned down in the first quarter.

Net state and local government saving was –$116.2 billion in the first quarter, increasing $8.3 billion from –$124.5 billion in the fourth quarter (see page 13). Both current receipts and current expenditures decelerated in the first quarter.

"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 $1,011.9 billion in the first quarter, decreasing $313.3 billion from $1,325.2 billion in the fourth quarter. Federal government net borrowing was $866.5 billion in the first quarter, decreasing $302.4 billion from $1,168.9 billion in the fourth quarter. State and local government net borrowing was $145.3 billion, decreasing $10.9 billion from $156.2 billion in the fourth quarter.

Chart 1. Government Fiscal Position



NOTE. All estimates are seasonally adjusted at annual rates.
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]

	Level	Change from preceding quarter			
	2013	2012			2013
	I	II	III	IV	I
Current receipts	4,586.7	–0.8	12.7	76.3	238.4
Current expenditures	5,485.2	51.8	0.9	9.5	–23.5
Net government saving	**–898.5**	**–52.6**	**11.8**	**66.8**	**261.9**
Federal	–782.3	–56.7	28.2	51.4	253.5
State and local	–116.2	3.9	–16.3	15.5	8.3
Net lending or net borrowing (–)	**–1,011.9**	**–33.3**	**9.7**	**37.5**	**313.3**
Federal	–866.5	–39.9	24.7	18.8	302.4
State and local	–145.3	6.6	–15.1	18.9	10.9

Ann W. Miller prepared this article.

Federal Government

Table 2. Federal Government Current Receipts and Expenditures

[Billions of dollars, seasonally adjusted at annual rates]

	Level	Change from preceding quarter			
	2013	2012			2013
	I	II	III	IV	I
Current receipts	**2,947.5**	**–5.4**	**13.9**	**62.4**	**211.7**
Current tax receipts	1,739.0	2.0	18.9	39.9	49.0
Personal current taxes	1,244.5	6.1	10.4	39.7	63.4
Taxes on production and imports	118.7	1.9	0.9	3.3	–0.7
Taxes on corporate income	356.7	–7.6	7.4	–5.8	–13.0
Taxes from the rest of the world	19.1	1.5	0.2	2.8	–0.8
Contributions for government social insurance	1,089.2	2.2	4.5	21.6	131.6
Income receipts on assets	72.9	–1.5	–0.2	–0.6	20.5
Current transfer receipts	69.0	–6.7	–8.5	0.1	15.8
Current surplus of government enterprises	–22.6	–1.3	–0.8	1.4	–5.2
Current expenditures	**3,729.8**	**51.2**	**–14.2**	**11.0**	**–41.8**
Consumption expenditures	1,031.5	–0.8	31.5	–44.4	–10.4
National defense	671.7	–2.4	27.0	–46.3	–10.1
Nondefense	359.8	1.6	4.5	2.0	–0.4
Current transfer payments	2,357.5	9.8	15.3	12.6	18.8
Government social benefits	1,833.3	–0.4	10.6	7.1	30.0
To persons	1,815.2	–0.5	10.2	7.3	29.8
To the rest of the world	18.1	0.0	0.4	–0.2	0.2
Other current transfer payments	524.2	10.2	4.7	5.5	–11.2
Grants-in-aid to state and local governments	464.8	11.6	3.7	8.8	–14.6
To the rest of the world	59.4	–1.3	0.9	–3.3	3.4
Interest payments	280.3	42.0	–60.6	42.5	–50.3
Subsidies	60.5	0.2	–0.5	0.3	0.1
Less: Wage accruals less disbursements	0.0	0.0	0.0	0.0	0.0
Net federal government saving	**–782.3**	**–56.7**	**28.2**	**51.4**	**253.5**
Social insurance funds	–275.9	4.1	–2.1	18.8	–9.0
Other	–506.4	–60.7	30.2	32.5	262.6
Addenda:					
Total receipts	2,965.2	–1.7	12.9	59.2	211.0
Current receipts	2,947.5	–5.4	13.9	62.4	211.7
Capital transfer receipts	17.7	3.7	–1.1	–3.1	–0.7
Total expenditures	3,831.7	38.2	–11.9	40.5	–91.4
Current expenditures	3,729.8	51.2	–14.2	11.0	–41.8
Gross government investment	145.8	3.8	–0.8	0.3	–9.6
Capital transfer payments	99.4	–15.9	2.1	30.8	–38.4
Net purchases of nonproduced assets	1.7	0.3	2.1	–0.3	0.1
Less: Consumption of fixed capital	144.9	1.3	1.0	1.3	1.6
Net lending or net borrowing (–)	–866.5	–39.9	24.7	18.8	302.4

Personal current taxes accelerated as a result of an acceleration in nonwithheld income taxes that was partly offset by a downturn in withheld income taxes.

Contributions for government social insurance accelerated as the result of an acceleration in social security contributions that reflected the expiration of the "payroll tax holiday" at the end of 2012 and to a lesser extent, the introduction of a hospital insurance tax surcharge of 0.9 percent for certain taxpayers.

Income receipts on assets turned up as the result of an acceleration in dividend payments from Fannie Mae and Freddie Mac that reflected the revised terms of conservatorship that went into effect in 2013.

Current transfer receipts accelerated. The acceleration reflected the discontinuation of the higher net crop insurance payments associated with the 2012 drought in the Midwest.

Government social benefits to persons accelerated, reflecting a 1.7 percent cost-of-living adjustment that boosted benefits for social security, veterans' pensions, and supplemental security income. Medicare benefits accelerated.

Interest payments turned down in the first quarter, reflecting a decrease in inflation expense payments on Treasury Inflation-Protected Securities.

Capital transfer payments turned down in the first quarter, reflecting a downturn in disaster-related flood insurance payments for damages caused by Superstorm Sandy.

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 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 published monthly in NIPA table 3.2. Detailed annual estimates of these transactions by component are published annually in NIPA tables 3.4–3.8, 3.12, and 3.13. Detailed quarterly estimates are available at www.bea.gov; under "National" and Supplemental Estimates," see "Underlying Detail Tables."

Each year, BEA translates the information in the federal budget into a NIPA framework.[1] For a historical time series of these estimates, see NIPA table 3.18B, which was published in the October 2012 SURVEY.

1. See Mark S. Ludwick and Kyle D. Mulgrew, "NIPA Translation of the Fiscal Year 2014 Federal Budget," SURVEY OF CURRENT BUSINESS 92 (May 2013): 15–24.

State and Local Government

Table 3. State and Local Government Current Receipts and Expenditures

[Billions of dollars, seasonally adjusted at annual rates]

	Level	Change from preceding quarter			
	2013	2012			2013
	I	II	III	IV	I
Current receipts	**2,104.1**	**16.3**	**2.5**	**22.7**	**12.2**
Current tax receipts	1,435.0	4.9	–0.4	13.2	26.1
Personal current taxes	359.9	8.3	0.8	13.0	11.9
Taxes on production and imports	1,026.2	0.5	–3.4	0.5	13.4
Taxes on corporate income	48.9	–3.9	2.2	–0.3	0.8
Contributions for government social insurance	17.2	–0.3	–0.2	–0.1	0.0
Income receipts on assets	85.2	0.1	–0.8	0.3	–0.1
Current transfer receipts	583.8	12.3	4.4	9.7	–13.7
Federal grants-in-aid	464.8	11.6	3.7	8.8	–14.6
Other	119.0	0.7	0.8	0.8	0.9
Current surplus of government enterprises	–17.2	–0.7	–0.6	–0.3	–0.2
Current expenditures	**2,220.3**	**12.2**	**18.9**	**7.2**	**3.9**
Consumption expenditures	1,535.6	–5.9	6.9	1.6	1.6
Government social benefits	568.2	17.2	12.1	3.5	1.0
Interest payments	116.0	0.9	–0.2	2.2	1.2
Subsidies	0.5	0.0	0.0	0.0	0.0
Less: Wage accruals less disbursements	0.0	0.0	0.0	0.0	0.0
Net state and local government saving	**–116.2**	**3.9**	**–16.3**	**15.5**	**8.3**
Social insurance funds	2.9	–0.2	0.0	0.2	0.4
Other	–119.1	4.1	–16.3	15.2	8.0
Addenda:					
Total receipts	2,169.3	18.1	3.7	23.3	5.2
Current receipts	2,104.1	16.3	2.5	22.7	12.2
Capital transfer receipts	65.2	1.9	1.2	0.6	–7.0
Total expenditures	2,314.7	11.5	18.8	4.4	–5.6
Current expenditures	2,220.3	12.2	18.9	7.2	3.9
Gross government investment	310.8	2.0	2.0	–1.2	–7.5
Capital transfer payments	....	....	....	....	....
Net purchases of nonproduced assets	10.4	–0.2	–0.2	–0.2	–0.2
Less: Consumption of fixed capital	226.8	2.5	1.9	1.5	1.7
Net lending or net borrowing (–)	**–145.3**	**6.6**	**–15.1**	**18.9**	**10.9**

Personal current taxes decelerated in the first quarter because of a deceleration in personal income taxes.

Taxes on production and imports accelerated as a result of an upturn in sales taxes, which partly reflected tax increases in some states.

Federal grants-in-aid turned down in the first quarter, reflecting downturns in grants for education and Medicaid.

Government social benefits decelerated in the first quarter as a result of a downturn in Medicaid benefits and a deceleration in other social benefit payments.

Capital transfer receipts turned down in the first quarter, reflecting a downturn in disaster benefit payouts from insurance companies for Superstorm Sandy.

Gross government investment decreased more than in the fourth quarter, reflecting a larger decrease in spending on structures and a downturn in spending on equipment and software.

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 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 Bureau 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 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 NIPA table 3.3. Detailed annual estimates of state and local government transactions by component are available annually in NIPA tables 3.4–3.8, 3.12, and 3.13. Detailed quarterly estimates are available at www.bea.gov; under "National" and Supplemental Estimates," see "Underlying Detail Tables." For a historical time series of reconciliations of the NIPA estimates with the Census Bureau data from Government Finances, see NIPA table 3.19.

BEA also prepares annual estimates of receipts and expenditures of state governments and of local governments.[1] These estimates are available annually in NIPA table 3.20 (state government receipts and expenditures) and in NIPA table 3.21 (local government receipts and expenditures); they were published in the October 2012 SURVEY.

1. Bruce E. Baker, "Receipts and Expenditures of State Governments and of Local Governments," SURVEY 85 (October 2005): 5–10.