

Government Receipts and Expenditures

First Quarter of 2015

NET GOVERNMENT saving, the difference between current receipts and current expenditures of the federal government and state and local governments, was $-\$707.6$ billion in the first quarter of 2015, increasing $\$58.8$ billion from $-\$766.4$ billion in the fourth quarter of 2014.

Net federal government saving was $-\$505.7$ billion in the first quarter, increasing $\$46.5$ billion from $-\$552.2$ billion in the fourth quarter (see page 2). In the first quarter, current receipts accelerated, and current expenditures turned up.

Net state and local government saving was $-\$201.9$ billion in the first quarter, increasing $\$12.4$ billion from $-\$214.3$ billion in the fourth quarter (see page 3). In the first quarter, current receipts accelerated, and current expenditures turned up.

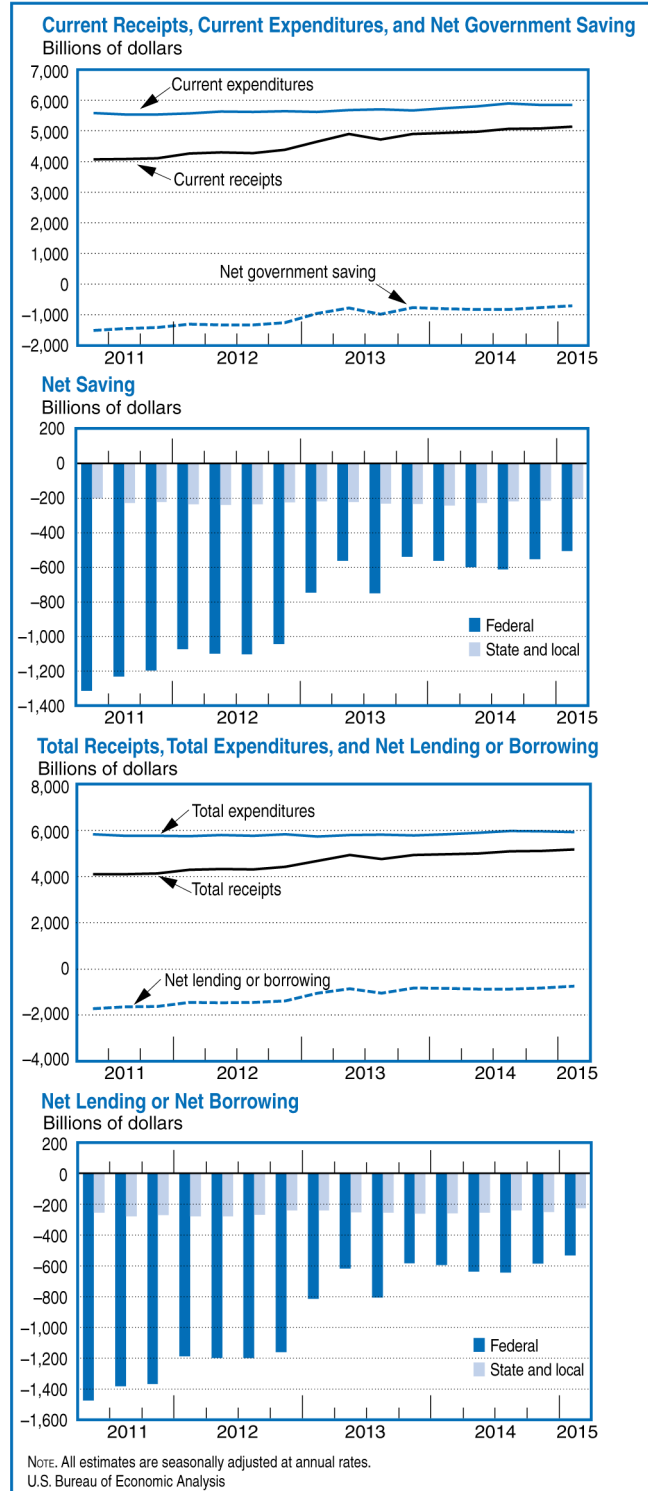
“Net lending or net borrowing (–)” is an alternative measure of the government fiscal position. Net borrowing is the financing requirement of the government sector, and it is derived as net government saving plus the consumption of fixed capital and net capital transfers received less gross investment and net purchases of nonproduced assets.

Net borrowing was $\$757.0$ billion in the first quarter, decreasing $\$80.0$ billion from $\$837.0$ billion in the fourth quarter. Federal government net borrowing was $\$532.8$ billion in the first quarter, decreasing $\$53.3$ billion from $\$586.1$ billion in the fourth quarter. State and local government net borrowing was $\$224.2$ billion, decreasing $\$26.7$ billion from $\$250.9$ billion in the fourth quarter.

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

	Level		Change from preceding quarter		
	2015	2014		2015	I
		I	II		
Current receipts	5,131.3	36.1	92.2	19.7	53.8
Current expenditures	5,839.0	60.8	94.3	-41.7	-4.9
Net government saving	-707.6	-24.7	-2.1	61.4	58.8
Federal	-505.7	-38.5	-12.4	58.8	46.5
State and local	-201.9	13.8	10.3	2.5	12.4
Net lending or net borrowing (–)	-757.0	-36.8	5.8	48.3	80.0
Federal	-532.8	-41.8	-7.8	58.1	53.3
State and local	-224.2	5.0	13.6	-9.8	26.7

Chart 1. Government Fiscal Position



Mary L. Roy 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		
	2015		2014		2015
	I	II	III	IV	I
Current receipts	3,401.1	34.3	65.3	6.6	52.3
Current tax receipts	2,131.7	58.1	23.5	30.0	57.4
Personal current taxes	1,467.0	15.9	27.4	37.2	46.2
Taxes on production and imports	134.8	1.4	1.6	1.0	-1.2
Taxes on corporate income	508.6	43.5	-7.1	-6.9	9.1
Taxes from the rest of the world	21.3	-2.6	1.5	-1.3	3.3
Contributions for government social insurance	1,184.0	7.6	12.1	15.5	14.3
Income receipts on assets	49.0	-28.2	-17.5	4.7	-16.8
Current transfer receipts	56.1	-0.9	49.6	-44.4	-3.7
Current surplus of government enterprises ¹	-19.7	-2.4	-2.4	0.9	1.1
Current expenditures	3,906.8	72.8	77.7	-52.3	5.9
Consumption expenditures	962.7	-1.6	32.2	-27.1	2.1
National defense	612.8	-0.1	30.7	-27.5	-0.8
Nondefense	349.9	-1.6	1.5	0.4	2.9
Current transfer payments	2,518.6	19.8	73.6	2.7	55.2
Government social benefits	1,940.1	25.2	13.3	11.6	35.7
To persons	1,920.3	24.9	12.8	12.0	35.2
To the rest of the world	19.7	0.3	0.5	-0.3	0.3
Other current transfer payments	578.5	-5.3	60.2	-8.9	19.5
Grants-in-aid to state and local governments	526.8	35.0	13.2	-8.0	16.5
To the rest of the world	51.7	-40.4	47.0	-0.9	3.0
Interest payments	368.8	54.8	-28.0	-27.4	-51.7
Subsidies	56.7	-0.2	-0.1	-0.4	0.2
Net federal government saving	-505.7	-38.5	-12.4	58.8	46.5
Social insurance funds	-269.9	-2.9	3.0	8.0	-10.4
Other	-235.8	-35.6	-15.4	50.8	56.9
Addenda:					
Total receipts	3,421.5	33.8	64.8	6.0	52.6
Current receipts	3,401.1	34.3	65.3	6.6	52.3
Capital transfer receipts	20.4	-0.5	-0.5	-0.5	0.2
Total expenditures	3,954.3	75.5	72.6	-52.1	-0.7
Current expenditures	3,906.8	72.8	77.7	-52.3	5.9
Gross government investment	253.8	4.0	-1.4	2.5	-2.3
Capital transfer payments	72.7	1.1	2.4	-5.9	-3.5
Net purchases of nonproduced assets	-1.0	-0.6	-4.6	4.9	0.6
Less: Consumption of fixed capital	277.9	1.6	1.6	1.4	1.2
Net lending or net borrowing (-)	-532.8	-41.8	-7.8	58.1	53.3

Personal current taxes accelerated in the first quarter as a result of an acceleration in nonwithheld income taxes.

Taxes on production and imports turned down in the first quarter, reflecting a downturn in customs duties.

Taxes on corporate income turned up in the first quarter, primarily reflecting the expiration of bonus depreciation. Deposits of earnings from Federal Reserve banks decreased more in the first quarter than in the fourth quarter.

Income receipts on assets turned down, reflecting a downturn in dividend payments by Fannie Mae and Freddie Mac.

Current transfer receipts decreased less than in the fourth quarter, reflecting the pattern of fines and penalties paid as part of Department of Justice settlement agreements with financial corporations in the third and fourth quarters.

Consumption expenditures turned up in the first quarter, mostly as a result of a smaller decrease in defense spending. Nondefense spending accelerated.

Government social benefits to persons accelerated in the first quarter, reflecting a 1.7 percent cost-of-living adjustment that boosted benefits for social security and veterans pensions. Benefits were also boosted by the health insurance premium tax credits that provide assistance to individuals who purchase health insurance through the public exchanges established by the Affordable Care Act.

Grants-in-aid to state and local governments turned up in the first quarter, mostly as a result of an acceleration in Medicaid grants.

Interest payments decreased more in the first quarter than in the fourth quarter, reflecting the pattern of inflation expense payments on Treasury Inflation-Protected Securities.

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 transac-

tions by component are published annually in NIPA tables 3.4–3.8, 3.12, and 3.13. Detailed quarterly estimates are available on [BEA's Web site](#).

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.

1. See Mark S. Ludwick and Bnyam Tseyhay, "NIPA Translation of the Fiscal Year 2016 Federal Budget," *SURVEY OF CURRENT BUSINESS* 95 (March 2015).

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				
	2015	2014			2015	
	I	II	III	IV	I	
Current receipts	2,256.9	36.8	40.1	5.2	17.8	Personal current taxes turned down in the first quarter because of a downturn in personal income taxes.
Current tax receipts.....	1,517.0	0.6	21.3	16.6	-1.3	
Personal current taxes	376.9	-12.4	7.4	11.2	-0.8	Taxes on production and imports turned down as a result of a larger decrease in severance taxes and a deceleration in sales taxes.
Taxes on production and imports	1,079.7	12.1	12.8	4.5	-2.2	
Taxes on corporate income	60.4	0.9	1.0	0.9	1.7	Federal grants-in-aid to state and local governments turned up because of an acceleration in Medicaid grants.
Contributions for government social insurance	17.4	0.0	-0.1	-0.1	-0.1	
Income receipts on assets	81.6	0.4	0.1	0.3	0.3	Consumption expenditures turned down in the first quarter, reflecting a larger decrease in purchases of nondurable goods.
Current transfer receipts.....	655.7	36.0	19.2	-11.5	18.9	
Federal grants-in-aid	526.8	35.0	13.2	-8.0	16.5	Government social benefits accelerated in the first quarter as a result of an acceleration in Medicaid benefits.
Other	128.9	1.0	6.1	-3.6	2.4	
Current surplus of government enterprises	-14.7	-0.2	-0.4	-0.1	0.1	Gross government investment turned down in the first quarter because of a downturn in spending for structures and in equipment.
Current expenditures	2,458.9	23.0	29.8	2.6	5.6	
Consumption expenditures	1,620.2	9.2	11.9	0.6	-8.9	Government social benefits accelerated in the first quarter as a result of an acceleration in Medicaid benefits.
Government social benefits.....	649.2	15.3	19.9	4.6	16.9	
Interest payments.....	188.9	-1.4	-2.2	-2.4	-2.6	Gross government investment turned down in the first quarter because of a downturn in spending for structures and in equipment.
Subsidies.....	0.5	0.0	0.0	0.0	0.0	
Net state and local government saving	-201.9	13.8	10.3	2.5	12.4	Gross government investment turned down in the first quarter because of a downturn in spending for structures and in equipment.
Social insurance funds	4.2	0.0	0.0	-0.1	-0.1	
Other	-206.1	13.8	10.4	2.5	12.5	
Addenda:						
Total receipts	2,325.9	38.7	44.7	-4.2	19.5	
Current receipts	2,256.9	36.8	40.1	5.2	17.8	
Capital transfer receipts	69.0	1.9	4.5	-9.4	1.7	
Total expenditures	2,550.1	33.7	31.1	5.6	-7.2	
Current expenditures	2,458.9	23.0	29.8	2.6	5.6	
Gross government investment	331.3	12.5	3.3	4.2	-12.3	
Capital transfer payments						
Net purchases of nonproduced assets	7.9	-0.2	-0.2	-0.2	-0.1	
Less: Consumption of fixed capital	248.0	1.6	1.8	1.1	0.4	
Net lending or net borrowing (-)	-224.2	5.0	13.6	-9.8	26.7	

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 on [BEA's Web site](#). For a historical time series of reconciliations of the NIPA estimates with the Census Bureau 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. Bruce E. Baker, "Receipts and Expenditures of State Governments and of Local Governments," SURVEY 85 (October 2005): 5–10.