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# ESTIMATES OF FEDERAL RECEIPTS FOR FISCAL YEARS 1953 AND 1954

PREPARED BY THE

STAFF OF THE JOINT COMMITTEE ON  
INTERNAL REVENUE TAXATION

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## ESTIMATES OF FEDERAL RECEIPTS FOR THE FISCAL YEARS 1953 AND 1954

The staff of the Joint Committee on Internal Revenue Taxation estimates that the Federal net budget receipts under present law will amount to \$66.4 billion in the fiscal year 1953 and \$67.6 billion in the fiscal year 1954.

In the budget presented last January it was estimated that Federal expenditures in the fiscal year 1953 would amount to \$74.6 billion. The staff has not attempted to make any detailed analysis of Government expenditures, but actual expenditures to date indicate that the budget estimate is probably something like \$1 billion too high and that \$73.7 billion now appears to be a more reasonable estimate of the year end total. Taken with the staff's estimate of receipts, this expenditure assumption would result in a deficit of \$7.3 billion for the current fiscal year, as compared with a \$5.9 billion deficit in the budget.

The estimated expenditures in the January budget for the fiscal year 1954 are \$78.6 billion. In view of recent announcements of the present administration, however, it appears probable that 1954 expenditures will be substantially lower than previously estimated. If they continue at about current levels expenditures in the fiscal year 1954 will be about \$73.5 billion. This is approximately \$5 billion below the estimate presented this last January. Such an expenditure total, coupled with the staff's estimate of receipts, would result in a deficit of \$5.9 billion in the fiscal year 1954, as compared with a \$9.9 billion deficit in the budget. Table I summarizes these receipt, expenditure, and deficit totals for the fiscal years 1952, 1953, and 1954.

Table II shows, by major sources, the actual 1952 and the estimated 1953 and 1954 fiscal year receipts. This table also indicates by major receipt sources the difference in the January budget estimates and the staff estimates.

In estimating receipts for the fiscal year 1954, the staff assumed that the personal income level for the calendar year 1953 would be approximately the same as the annual rate in March of this year. Some downward adjustments, however, were made in the levels assumed for the first half of calendar 1954. For the 18-month period (January 1953 through June 1954) the personal income level assumed averages out at about \$280 billion. In the case of corporate profits it was assumed that they would continue throughout the calendar year 1953 at about the same level as in the first quarter of the year, namely, at an annual rate of \$43 billion. Those levels of business activity assumed by the staff were arrived at after consultation with a number of outstanding economists, both in private industry and in the Federal Government.



## 2 ESTIMATES OF RECEIPTS FOR FISCAL YEARS 1953 AND 1954

TABLE I.—*Receipts, expenditures, and deficit of the Federal Government, actual fiscal year 1952 and estimates for the fiscal years 1953 and 1954*

[In billions of dollars]

|                   | Actual<br>1952 | Estimated 1953                     |                        |   | Estimated 1954                     |                        |   |
|-------------------|----------------|------------------------------------|------------------------|---|------------------------------------|------------------------|---|
|                   |                | January<br>budget<br>esti-<br>mate | Staff<br>esti-<br>mate | Differ-<br>ence<br>between<br>staff and<br>budget<br>esti-<br>mates | January<br>budget<br>esti-<br>mate | Staff<br>esti-<br>mate | Differ-<br>ence<br>between<br>staff and<br>budget<br>esti-<br>mates |
| Receipts.....     | 62.1           | 68.7                               | 66.4                   | -2.3  | 68.7                               | 67.6                   | -1.1  |
| Expenditures..... | 66.1           | 74.6                               | 73.7                   | -.9   | 78.6                               | 73.5                   | -5.1  |
| Deficit.....      | 4.0            | 5.9                                | 7.3                    | +1.4  | 9.9                                | 5.9                    | -4.0  |

TABLE II.—*Receipts of the Federal Government, actual fiscal year 1952, and estimates for the fiscal years 1953 and 1954*

[In billions of dollars]

| Source                            | Actual<br>1952 | Estimated 1953                |                   |   | Estimated 1954                |                   |   |
|-----------------------------------|----------------|-------------------------------|-------------------|---|-------------------------------|-------------------|---|
|                                   |                | January<br>budget<br>estimate | Staff<br>estimate | Difference<br>between<br>staff and<br>budget<br>estimates | January<br>budget<br>estimate | Staff<br>estimate | Difference<br>between<br>staff and<br>budget<br>estimates |
| Direct taxes on individuals.....  | 30.7           | 34.4                          | 34.2              | -0.2  | 34.3                          | 34.3              | -----   |
| Direct taxes on corporations..... | 21.5           | 23.7                          | 22.0              | -1.7  | 23.3                          | 22.3              | -1.0  |
| Excise taxes.....                 | 8.9            | 9.8                           | 9.8               | -----   | 9.9                           | 9.6               | -.3   |
| Employment taxes.....             | 4.6            | 4.9                           | 4.9               | -----   | 5.2                           | 5.3               | +1.1  |
| Customs.....                      | .6             | .6                            | .6                | -----   | .6                            | 1.6               | -----   |
| Miscellaneous receipts.....       | 1.8            | 1.7                           | 1.9               | +1.2  | 2.2                           | 2.4               | +1.2  |
| Total.....                        | 68.0           | 75.2                          | 73.4              | -1.8  | 75.5                          | 74.5              | -1.0  |
| Deduct:                           |                |                               |                   |   |                               |                   |   |
| Appropriation to OASI             |                |                               |                   |   |                               |                   |   |
| trust fund.....                   | 3.6            | 4.0                           | 4.0               | -----   | 4.3                           | 4.3               | -----   |
| Refunds.....                      | 2.3            | 2.5                           | 3.0               | +1.5  | 2.6                           | 2.6               | -----   |
| Net budget receipts.....          | 62.1           | 68.7                          | 66.4              | -2.3  | 68.7                          | 67.6              | -1.1  |

<sup>1</sup> Budget estimates.

NOTE.—Detail will not necessarily add to totals because of rounding.

