

ESTIMATES OF FEDERAL RECEIPTS
FOR THE FISCAL YEARS
1973 AND 1974

PREPARED BY THE
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INTERNAL REVENUE TAXATION



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For the fiscal year which ends June 30, 1973, the staff of the Joint Committee on Internal Revenue Taxation estimates that *unified* budget receipts will total approximately \$231.4 billion. This, together with the \$249.8 billion of *unified* budget outlays projected for fiscal year 1973 in the administration's 1974 budget document (and also contained in their June 1, 1973 release) implies a budget deficit of \$18.4 billion for fiscal year 1973.¹

The staff's estimates of the *Federal funds* budget receipts for the fiscal year 1973, are \$106.7 billion. Combining this with the administration's estimates of outlays suggests a budget deficit in the *Federal funds* budget for fiscal year 1973 amounting to \$28.1 billion.

For the fiscal year 1974, the staff estimates that *unified* budget receipts (including receipts from proposed legislation) will total about \$265.2 billion.² On the basis of the administration's \$268.7 billion expenditure level, this implies a deficit of \$3.5 billion for fiscal 1974.

The staff estimates *Federal funds* receipts for the fiscal year 1974 at \$179.9 billion (including proposed legislation). Combining these receipts with the administration's estimate of *Federal funds* expenditures implies a deficit of \$19.9 billion.³

Table 1 compares the staff estimates under the *unified* budget for the fiscal year 1973 and the fiscal year 1974 with the administration's budget estimates and also shows actual receipts and outlays for the fiscal year 1972.

TABLE 1.—RECEIPTS AND OUTLAYS IN THE UNIFIED BUDGET, ACTUAL FOR FISCAL YEAR 1972 AND JUNE 1 ESTIMATES FOR FISCAL YEARS 1973 AND 1974¹ INCLUDING PROPOSED LEGISLATION²

[In billions of dollars]

	1973 estimates			1974 estimates	
	1972 actual	Staff	Administra- tion	Staff	Administra- tion
Receipts.....	208.6	231.4	232.0	265.2	266.0
Outlays.....	231.9	249.8	249.8	268.7	268.7
Deficit.....	23.2	18.4	17.8	3.5	2.7

¹ The staff has made estimates only for budget receipts. The outlay estimates are those of the administration.

² See table 4 for list of proposals affecting receipts.

¹ The staff has made estimates only for budget receipts. The outlay estimates are those of the administration.

² If the staff's receipts estimates are reduced by the net \$240 million which would be derived from the administration's legislative proposals, the receipts total (under present law) is \$265.0, implying a deficit of \$3.7 billion for fiscal year 1974. For details of the \$240 million net increase under proposed legislation, see Table 4.

³ If the staff's *Federal funds* receipts estimates are increased by the \$372 million net tax reduction which would result from the administration's legislative proposals, the receipts total (under present law) would be \$180.3 billion, implying a deficit of \$19.5 billion. For details of the \$372 million net increase, see Table 4.

TABLE 2.—FEDERAL FUNDS RECEIPTS AND OUTLAYS, ACTUAL FOR FISCAL YEAR 1972, AND JUNE 1 ESTIMATES FOR FISCAL YEARS 1973 AND 1974¹ INCLUDING PROPOSED LEGISLATION²

(In billions of dollars)

	1972 actual	1973 estimates		1974 estimates	
		Staff	Adminis- tration	Staff	Adminis- tration
Receipts ²	148.8	160.7	160.9	179.9	181.0
Outlays.....	178.0	188.8	188.8	199.8	199.8
Deficit.....	29.1	28.1	27.9	19.9	18.8

¹ The staff has made estimates only for budget receipts. The outlay estimates are those of the administration.

² See table 4 for list of proposals affecting receipts.

The estimates of budget receipts prepared by the staff are based on a projected Gross National Product for the calendar year 1973 of \$1,286 billion measured in current prices. The personal income level assumed for the calendar year 1973 is \$1,033 billion. Corporate profits before taxes for the calendar year 1973 are projected at \$116 billion.

The administration's June 1, 1973 receipts estimates are based on a Gross National Product level of \$1,283 billion for the calendar year 1973, a personal income level of \$1,030 billion and a corporate profits level of \$116 billion for the same period.

Table 3 shows the major sources of actual *unified* budget receipts in fiscal year 1972 and compares the staff and administration estimates of *unified* budget receipts for fiscal years 1973 and 1974.

TABLE 3.—UNIFIED BUDGET RECEIPTS: ACTUAL FOR FISCAL YEAR 1972 AND JUNE 1 ESTIMATES FOR FISCAL YEARS 1973 AND 1974 INCLUDING PROPOSED LEGISLATION

(In millions of dollars)

	1972 actual	Estimates for 1973		Estimates for 1974	
		Staff	Adminis- tration	Staff	Adminis- tration
Individual income taxes.....	94,737	102,700	103,000	116,200	116,000
Corporation income taxes.....	32,166	36,200	36,000	40,500	41,500
Social insurance taxes and contributions.....	53,914	64,600	64,700	79,000	78,600
Excise taxes.....	15,477	16,000	16,100	16,700	16,800
Estate and gift taxes.....	5,436	4,900	5,000	5,300	5,400
Customs duties.....	3,287	3,100	3,200	3,300	3,500
Miscellaneous receipts.....	3,633	3,930	3,900	4,200	4,200
Total.....	208,649	231,430	232,000	265,200	266,000

¹ Reflects \$600,000,000 decrease under proposed legislation.

² Reflects \$612,000,000 increase under proposed legislation.

³ Reflects \$228,000,000 increase under proposed legislation.

The administration has made several proposals for changes in receipts from various revenue sources for fiscal year 1974. These proposals, together with the revenue estimates made by the administration are shown in Table 4.

TABLE 4.—Estimated changes in receipts from proposed legislation, fiscal year 1974

(In millions of dollars)

Proposal:	Budget receipts estimates
Retirement of silver certificates.....	228
Increase in railroad retirement receipts.....	612
Income tax credit for nonpublic elementary and secondary school tuition.....	-300
Liberalized deduction for individual pension plans.....	-300
Total.....	240