

18. GOVERNMENTAL RECEIPTS

This chapter presents the Budget's estimates of taxes and governmental receipts, taking into account the effects of tax legislation enacted in 2023, discusses the provisions

of those enacted laws, and introduces the Administration's additional receipt proposals.

ESTIMATES OF GOVERNMENTAL RECEIPTS

Governmental receipts are taxes and other collections from the public that result from the exercise of the Federal Government's sovereign or governmental powers. The difference between governmental receipts and outlays is the surplus or deficit.

The Federal Government also collects income from the public through market-oriented activities. Collections from these activities are subtracted from gross outlays, rather than added to taxes and other governmental receipts, and are discussed in the "Offsetting Collections and Offsetting Receipts" chapter of this volume.

Total governmental receipts (hereafter referred to as "receipts") are estimated to be \$5,081.5 billion in 2024, an increase of \$640.6 billion or 14.4 percent from 2023. The estimated increase in 2024 is largely due to increased individual income tax collections, along with higher corporation income tax and social insurance and retirement

receipts. Receipts in 2024 are estimated to be 18.0 percent of Gross Domestic Product (GDP), which is higher than in 2023 when receipts were 16.5 percent of GDP.

Receipts in the 2025 Budget are estimated to rise to \$5,484.9 billion in 2025, an increase of \$403.4 billion or 7.9 percent relative to 2024. Receipts are projected to grow at an average annual rate of 5.6 percent between 2025 and 2029, rising to \$6,829.9 billion. Receipts are projected to rise to \$8,639.2 billion in 2034, growing at an average annual rate of 4.8 percent between 2029 and 2034. This growth is largely due to assumed increases in incomes resulting from both real economic growth and inflation, along with tax reforms.

As a share of GDP, receipts are projected to increase slightly from 18.0 percent in 2024 to 18.7 percent in 2025, and to increase steadily to 20.3 percent in 2034.

Table 18-1. RECEIPTS BY SOURCE--SUMMARY
(In billions of dollars)

	2023 Actual	Estimate										
		2024	2025	2026	2027	2028	2029	2030	2031	2032	2034	
Individual income taxes	2,176.5	2,503.4	2,679.2	2,975.8	3,178.3	3,369.1	3,549.0	3,734.4	3,925.3	4,128.7	4,340.6	4,574.5
Corporation income taxes	419.6	612.8	668.1	720.6	703.5	710.2	741.3	770.0	806.4	859.1	881.7	904.7
Social insurance and retirement receipts	1,614.5	1,720.5	1,896.8	1,935.6	2,017.4	2,118.9	2,203.9	2,300.0	2,397.5	2,494.5	2,627.0	2,735.0
(On-budget)	(420.7)	(480.5)	(612.4)	(593.4)	(620.6)	(651.9)	(678.0)	(709.4)	(741.1)	(771.7)	(812.6)	(850.3)
(Off-budget)	(1,193.8)	(1,240.0)	(1,284.4)	(1,342.2)	(1,396.8)	(1,467.0)	(1,525.8)	(1,590.5)	(1,656.4)	(1,722.7)	(1,814.4)	(1,884.7)
Excise taxes	75.8	99.7	109.9	112.5	113.0	112.6	114.9	117.9	118.2	119.8	121.6	122.4
Estate and gift taxes	33.7	29.0	32.6	34.8	52.6	56.8	61.0	65.3	69.4	74.7	80.4	86.6
Customs duties	80.3	81.4	60.7	52.5	52.9	54.5	56.6	58.8	61.2	53.4	55.6	57.7
Miscellaneous receipts	40.6	34.7	37.6	41.0	68.5	87.5	103.3	118.0	131.4	142.7	151.2	158.4
Total, receipts	4,440.9	5,081.5	5,484.9	5,872.7	6,186.2	6,509.6	6,829.9	7,164.4	7,509.5	7,872.9	8,258.1	8,639.2
(On-budget)	(3,247.2)	(3,841.5)	(4,200.6)	(4,530.5)	(4,789.5)	(5,042.6)	(5,304.1)	(5,573.9)	(5,853.1)	(6,150.1)	(6,443.7)	(6,754.5)
(Off-budget)	(1,193.8)	(1,240.0)	(1,284.4)	(1,342.2)	(1,396.8)	(1,467.0)	(1,525.8)	(1,590.5)	(1,656.4)	(1,722.7)	(1,814.4)	(1,884.7)
Total receipts as a percentage of GDP	16.5	18.0	18.7	19.2	19.4	19.6	19.8	19.9	20.0	20.1	20.2	20.3

LEGISLATION ENACTED IN 2023 THAT AFFECTS GOVERNMENTAL RECEIPTS

Two laws were enacted during 2023 that affect receipts. The major provisions of those laws that have a significant impact on receipts are described below.¹

FISCAL RESPONSIBILITY ACT of 2023 (Public Law 118-5)

The Act, which was signed into law on June 3, 2023, rescinds funding previously provided to the Internal Revenue Service for enforcement activities, operations

¹ In the discussions of enacted legislation, years referred to are calendar years, unless otherwise noted.

support, business systems modernization, and taxpayer services, which had been expected to reduce the tax gap by improving taxpayer compliance. Rescinding these resources results in reduced income tax receipts.

AIRPORT AND AIRWAY EXTENSION ACT of 2023, PART II (Public Law 118-34)

The Act, which was signed into law on December 26, 2023, temporarily extends specific Federal Aviation

Administration programs and activities through March 8, 2024, including the authority to collect various taxes and fees into the Airport and Airway Trust Fund, such as taxes on aviation fuel and airline tickets.

ADJUSTMENTS TO THE BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT (BBEDCA) BASELINE

An adjusted baseline provides a realistic measure of the deficit outlook before new policies are enacted. This Budget does so by adjusting the BBEDCA baseline to reflect the full cost of enacting two discretionary measures that have effects on governmental receipts. The BBEDCA baseline, which is commonly used in budgeting and is defined in statute, reflects, with some exceptions, the projected receipt levels under current law.

Internal Revenue Service (IRS). The Inflation Reduction Act of 2022 (IRA) provided nearly \$80 billion in mandatory funding to the IRS to complement the agency's annual discretionary appropriations. The Fiscal

Responsibility Act of 2023 rescinded approximately \$1.4 billion of that funding. The adjusted baseline for the Budget reflects an additional \$20.2 billion rescission of the IRA funding, consistent with the 2024 appropriations topline agreement announced in January 2024.

Unemployment Insurance. The Bipartisan Budget Act of 2018 established an adjustment to discretionary base funding for program integrity efforts through Reemployment Services and Eligibility Assessments. The Budget proposes funding through 2034 which results in a reduction in State unemployment taxes.

Table 18-2. ADJUSTMENTS TO THE BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT (BBEDCA) BASELINE ESTIMATES OF GOVERNMENTAL RECEIPTS

(In billions of dollars)

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2025-2029	2025-2034
BBEDCA baseline receipts	4,963.7	5,086.7	5,426.2	5,765.2	6,076.2	6,379.2	6,703.7	7,029.6	7,341.1	7,691.8	8,034.1	28,733.4	65,533.7
Adjustments to BBEDCA baseline:													
Effects of IRS rescission consistent with the recently announced 2024 topline agreement .....	.....	.....	.....	.....	.....	-3.0	-42.7	-50.4	-17.5	-8.2	-4.8	-3.0	-126.6
Effects of Unemployment Insurance Reemployment Services and Eligibility Assessments discretionary cap adjustment ....	.....	.....	-*	-*	-*	-*	-*	-*	-*	-*	-*	-*	-0.2
Total, adjustments to BBEDCA baseline .....	.....	.....	-*	-*	-*	-3.1	-42.7	-50.4	-17.5	-8.3	-4.8	-3.1	-126.8
Adjusted baseline receipts	4,963.7	5,086.7	5,426.2	5,765.1	6,076.1	6,376.1	6,660.9	6,979.2	7,323.5	7,683.6	8,029.3	28,730.3	65,406.9

*Less than \$50 million.

BUDGET PROPOSALS

The 2025 Budget proposes a series of revenue raisers directed at wealthy people and large corporations. The Budget aims to replace counterproductive tax laws that reward offshoring and profit shifting with provisions that encourage job creation at home and put an end to the worldwide race to the bottom on corporate tax rates. It also includes a set of measures to make sure the wealthiest Americans and corporations pay their fair share in taxes

while ensuring that no one making \$400,000 per year or less will pay a penny more in new taxes. These proposals affecting governmental receipts are included in the table that follows. Descriptions of proposals can be found in the Department of the Treasury's *General Explanations of the Administration's Fiscal Year 2025 Revenue Proposals*.²

² Available at this link: <https://home.treasury.gov/policy-issues/tax-policy/revenue-proposals>.

Table 18-3. EFFECT OF BUDGET PROPOSALS
(In millions of dollars)

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2025–2029	2025–2034
Reform business taxation:													
Raise the corporate income tax rate to 28 percent	74,646	122,474	125,105	128,114	128,624	128,353	129,396	137,888	144,919	150,028	155,040	632,670	1,349,941
Increase the corporate alternative minimum tax rate to 21 percent	10,050	13,543	11,759	12,264	12,675	13,119	13,672	14,238	14,800	15,379	15,980	63,360	137,429
Increase the excise tax rate on repurchase of corporate stock and close loopholes	3,863	15,344	14,980	14,936	15,184	15,792	16,458	17,167	17,912	18,691	19,502	76,236	165,966
Tax corporate distributions as dividends	0	110	160	170	180	190	200	210	230	240	250	810	1,940
Limit tax avoidance through inappropriate leveraging of parties to divisive reorganizations .....	.....	279	826	1,614	2,550	3,569	4,645	5,769	6,937	8,150	9,408	8,838	43,747
Limit losses recognized in liquidation transactions .....	.....	30	50	52	54	56	57	59	61	63	65	242	547
Prevent basis shifting by related parties through partnerships .....	.....	3,851	5,537	3,999	2,325	563	–177	–215	–275	–341	–402	16,275	14,865
Conform definition of “control” with corporate affiliation test .....	.....	447	651	667	681	695	709	719	727	733	736	3,141	6,765
Strengthen limitation on losses for noncorporate taxpayers .....	.....	1,185	2,241	2,519	2,666	12,901	14,735	10,543	9,789	9,621	9,526	21,512	75,726
Expand limitation on deductibility of employee remuneration in excess of \$1 million ¹ .....	.....	37,169	19,015	30,421	34,951	31,354	28,057	22,148	20,594	22,385	25,760	152,910	271,854
Prevent prison facility rent payments from contributing to qualification as a REIT .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Subtotal, reform business taxation	88,559	194,432	180,324	194,756	199,890	206,592	207,752	208,526	215,694	224,949	235,865	975,994	2,068,780
Reform international taxation:													
Revise the global minimum tax regime, limit inversions, and make related reforms	8,875	27,920	35,889	34,589	34,819	36,215	37,719	39,261	40,846	42,483	44,178	169,432	373,919
Adopt the undertaxed profits rule .....	.....	9,596	14,541	14,065	14,389	14,181	14,088	13,837	13,752	13,916	13,948	66,772	136,313
Repeal the deduction for foreign-derived intangible income:													
Repeal the deduction for foreign-derived intangible income .....	.....	13,938	17,669	14,213	14,639	15,078	15,531	15,997	16,477	16,971	17,480	75,537	157,993
Provide additional support for research and experimentation expenditures .....	.....	–13,938	–17,669	–14,213	–14,639	–15,078	–15,531	–15,997	–16,477	–16,971	–17,480	–75,537	–157,993
Subtotal, repeal the deduction for foreign-derived intangible income .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Revise the rules that allocate Subpart F income and GILTI between taxpayers to ensure that Subpart F income and GILTI are fully taxed .....	.....	106	196	225	250	272	294	313	332	349	366	1,049	2,703
Require a controlled foreign corporation’s taxable year to match that of its majority U.S. shareholder .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Limit foreign tax credits from sales of hybrid entities .....	.....	343	535	484	446	418	397	381	370	362	357	2,226	4,093
Restrict deductions of excessive interest of members of financial reporting groups .....	.....	2,691	4,281	4,038	3,918	3,910	4,002	4,113	4,219	4,341	4,481	18,838	39,994
Conform scope of portfolio interest exclusion for 10-percent shareholders to other tax rules .....	.....	64	54	39	22	5	.....	.....	.....	.....	.....	184	184
Treat payments substituting for partnership effectively connected income as U.S. source dividends .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Expand access to retroactive qualified electing fund elections .....	.....	1	2	4	5	6	6	7	8	8	9	18	56
Reform taxation of foreign fossil fuel income:													
Modify foreign oil and gas extraction income and foreign oil related income rules .....	.....	184	310	318	329	340	352	363	377	393	409	1,481	3,375
Modify tax rule for dual capacity taxpayers .....	.....	3,908	6,582	6,735	6,966	7,214	7,458	7,703	7,994	8,332	8,671	31,405	71,563
Subtotal, reform taxation of foreign fossil fuel income .....	.....	4,092	6,892	7,053	7,295	7,554	7,810	8,066	8,371	8,725	9,080	32,886	74,938
Provide tax incentives for locating jobs and business activity in the United States and remove tax deductions for shipping jobs overseas:													
Provide tax credit for insourcing jobs to the United States .....	.....	–3	–6	–6	–7	–7	–8	–8	–8	–9	–9	–29	–71

Table 18-3. EFFECT OF BUDGET PROPOSALS—Continued

(In millions of dollars)

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2025–2029	2025–2034
Remove tax deductions for shipping jobs overseas .....	.....	3	6	6	7	7	8	8	8	9	9	29	71
Subtotal, provide tax incentives for locating jobs and business activity in the United States and remove tax deductions for shipping jobs overseas .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Subtotal, reform international taxation	8,875	44,813	62,390	60,497	61,144	62,561	64,316	65,978	67,898	70,184	72,419	291,405	632,200
Support housing and urban development:													
Make permanent the new markets tax credit and formalize allocation incentives for investing in areas of higher distress .....	.....	.....	-97	-278	-483	-716	-990	-1,290	-1,602	-1,796	-1,866	-1,574	-9,118
Provide a neighborhood homes credit .....	.....	-270	-1,145	-1,829	-1,963	-2,099	-2,183	-2,253	-2,304	-2,371	-2,428	-7,306	-18,845
Expand and enhance the low-income housing credit .....	.....	-84	-354	-980	-1,918	-2,961	-4,010	-5,054	-6,090	-7,118	-8,077	-6,297	-36,646
Subtotal, support housing and urban development .....	.....	-354	-1,596	-3,087	-4,364	-5,776	-7,183	-8,597	-9,996	-11,285	-12,371	-15,177	-64,609
Modify energy taxes:													
Eliminate fossil fuel tax preferences:													
Repeal the enhanced oil recovery credit .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Repeal the credit for oil and natural gas produced from marginal wells .....	.....	19	34	26	14	4	.....	.....	.....	.....	.....	97	97
Repeal expensing of intangible drilling costs .....	.....	1,790	2,652	1,971	1,234	478	204	265	334	406	448	8,125	9,782
Repeal the deduction for costs paid or incurred for any qualified tertiary injectant used as part of tertiary recovery method .....	.....	6	8	9	9	9	9	9	9	9	9	41	86
Repeal the exception to passive loss limitations provided to working interests in oil and natural gas properties .....	.....	5	9	8	8	8	8	7	7	7	7	38	74
Repeal the use of percentage depletion with respect to oil and natural gas wells .....	.....	880	1,476	1,493	1,521	1,562	1,611	1,671	1,741	1,820	1,900	6,932	15,675
Increase geological and geophysical amortization period for independent producers .....	.....	65	251	414	455	448	439	432	419	395	360	1,633	3,678
Repeal expensing of mine exploration and development costs .....	.....	148	220	164	102	39	17	22	28	34	38	673	812
Repeal percentage depletion for hard mineral fossil fuels .....	.....	57	103	112	122	128	136	145	148	148	153	522	1,252
Repeal capital gains treatment for royalties .....	.....	26	54	56	54	53	52	53	50	49	48	243	495
Repeal the exemption from the corporate income tax for fossil fuel publicly traded partnerships .....	.....	.....	.....	.....	.....	75	148	186	220	251	.....	880	
Repeal the Oil Spill Liability Trust Fund and Superfund excise tax exemption for crude oil derived from bitumen and kerogen-rich rock ¹ .....	.....	115	160	166	172	179	183	186	192	198	200	792	1,751
Repeal accelerated amortization of air pollution control equipment .....	.....	12	30	47	62	77	91	103	101	90	79	228	692
Subtotal, eliminate fossil fuel tax preferences .....	.....	3,123	4,997	4,466	3,753	2,985	2,825	3,041	3,215	3,376	3,493	19,324	35,274
Eliminate drawbacks on petroleum taxes that finance the Oil Spill Liability Trust Fund and Superfund ¹ .....	.....	149	202	206	210	213	216	218	222	224	227	980	2,087
Impose digital asset mining energy excise tax ¹ .....	.....	107	302	533	670	744	832	935	1,052	1,197	1,361	2,356	7,733
Subtotal, modify energy taxes .....	.....	3,379	5,501	5,205	4,633	3,942	3,873	4,194	4,489	4,797	5,081	22,660	45,094
Strengthen taxation of high-income taxpayers:													
Apply the net investment income tax to pass-through business income of high-income taxpayers	8,496	38,302	29,950	31,931	34,819	37,435	39,950	42,143	43,986	46,126	48,579	172,437	393,221
Increase the net investment income tax rate and additional Medicare tax rate for high-income taxpayers	8,394	42,920	31,327	32,285	34,710	37,224	39,822	42,450	44,963	47,602	50,487	178,466	403,790
Increase the top marginal income tax rate for high-income earners	9,871	75,419	31,189	13,798	14,939	15,859	16,818	17,833	18,885	19,997	21,187	151,204	245,924
Reform the taxation of capital income .....	.....	18,031	23,713	25,164	26,417	27,624	29,050	30,727	32,158	33,758	41,941	120,949	288,583

Table 18-3. EFFECT OF BUDGET PROPOSALS—Continued

(In millions of dollars)

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2025–2029	2025–2034
Impose a minimum income tax on the wealthiest taxpayers .....	.....	.....	50,310	56,387	59,430	60,451	59,974	59,331	53,057	50,215	53,513	226,578	502,668
Subtotal, strengthen taxation of high-income taxpayers	26,761	174,672	166,489	159,565	170,315	178,593	185,614	192,484	193,049	197,698	215,707	849,634	1,834,186
Modify rules relating to retirement plans:													
Prevent excessive accumulations by high-income taxpayers in tax-favored retirement accounts and make other reforms .....	.....	6,926	6,142	3,402	1,992	1,278	931	776	724	726	759	19,740	23,656
Subtotal, modify rules relating to retirement plans .....	.....	6,926	6,142	3,402	1,992	1,278	931	776	724	726	759	19,740	23,656
Support workers, families, and economic security:													
Expand the child credit, and make permanent full refundability and advanceability ²	-5,409	-209,890	-11,210	-7,769	-11,376	-11,586	-11,827	-12,157	-12,372	-12,717	-9,120	-251,831	-310,024
Restore and make permanent the American Rescue Plan expansion of the earned income tax credit for workers without qualifying children ²	-388	-15,330	-15,770	-15,998	-16,126	-16,310	-16,451	-16,503	-16,587	-16,695	-16,783	-79,534	-162,553
Make permanent the Inflation Reduction Act expansion of health insurance premium tax credits ² .....	.....	.....	-14,884	-21,751	-23,366	-24,699	-26,308	-27,059	-28,489	-30,481	-32,535	-84,700	-229,572
Make the adoption tax credit refundable and allow certain guardianship arrangements to qualify ² .....	.....	-2	-2,642	-1,420	-1,186	-1,183	-1,180	-1,186	-1,187	-1,173	-1,182	-6,433	-12,341
Make permanent the income exclusion for forgiven student debt ² .....	.....	.....	-2	-17	-37	-234	-252	-270	-290	-311	-333	-290	-1,746
Extend tax-preferred treatment to certain Federal and tribal scholarship and education loan programs .....	.....	-62	-104	-114	-120	-123	-127	-130	-133	-134	-136	-523	-1,183
Increase the employer-provided childcare tax credit for businesses .....	.....	-19	-37	-38	-40	-41	-43	-43	-44	-44	-44	-175	-393
Improve the design of the work opportunity tax credit to promote longer-term employment .....	.....	85	93	22	12	9	7	5	4	3	2	221	242
Provide tax credits for certain first-time homebuyers and home sellers ²	-710	-28,517	-14,066	-5,005	218	69	.....	.....	.....	.....	.....	-47,301	-47,301
Subtotal, support workers, families, and economic security	-6,507	-253,735	-58,622	-52,090	-52,021	-54,098	-56,181	-57,343	-59,098	-61,552	-60,131	-470,566	-764,871
Modify estate and gift taxation:													
Improve tax administration for trusts and decedents' estates .....	.....	9	79	83	96	112	130	150	174	199	227	379	1,259
Limit duration of generation-skipping transfer tax exemption .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Modify income, estate, gift, and generation-skipping transfer tax rules for certain trusts .....	.....	1,290	2,625	5,032	6,855	8,871	10,566	10,749	11,608	12,587	13,567	24,673	83,750
Revise rules for valuation of certain property .....	.....	331	955	1,025	1,139	1,225	1,296	1,390	1,493	1,613	1,745	4,675	12,212
Subtotal, modify estate and gift taxation .....	.....	1,630	3,659	6,140	8,090	10,208	11,992	12,289	13,275	14,399	15,539	29,727	97,221
Close loopholes:													
Tax carried (profits) interests as ordinary income .....	.....	397	661	659	657	664	677	691	705	719	733	3,038	6,563
Repeal deferral of gain from like-kind exchanges .....	.....	680	1,870	1,926	1,984	2,044	2,104	2,169	2,232	2,300	2,369	8,504	19,678
Require 100 percent recapture of depreciation deductions as ordinary income for certain depreciable real property .....	.....	41	128	267	417	579	755	946	1,151	1,373	1,611	1,432	7,268
Modify depreciation rules for purchases of general aviation passenger aircraft .....	.....	46	141	206	217	207	175	142	125	117	116	817	1,492
Limit use of donor advised funds to avoid a private foundation payout requirement .....	.....	65	61	42	27	14	11	12	12	13	13	209	270
Exclude payments to disqualified persons from counting toward private foundation payout requirement .....	.....	1	2	1	1	1	1	.....	.....	.....	.....	6	7
Extend the period for assessment of tax for certain Qualified Opportunity Fund investors	11	26	19	15	11	10	9	6	2	.....	.....	81	98
Impose ownership diversification requirement for small insurance company election .....	.....	272	908	1,023	1,097	1,165	1,235	1,310	1,395	1,497	1,587	4,465	11,489
Expand pro rata interest expense disallowance for business-owned life insurance .....	.....	609	618	646	668	691	717	748	780	813	850	3,232	7,140

Table 18-3. EFFECT OF BUDGET PROPOSALS—Continued

(In millions of dollars)

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2025–2029	2025–2034
Modify rules for insurance products that fail the statutory definition of a life insurance contract	3	10	12	14	17	19	22	26	29	33	56	185
Limit tax benefits for private placement life insurance and similar contracts	140	208	288	387	505	651	825	1,032	1,276	1,567	1,528	6,879
Correct drafting errors in the taxation of insurance companies under the Tax Cuts and Jobs Act of 2017	77	105	111	107	73	56	47	39	35	32	473	682
Define the term “ultimate purchaser” for purposes of diesel fuel exportation ¹	7	9	11	13	15	19	21	23	26	28	55	172
Limit the deduction for the transfer of property to the value of property actually included in income	85	128	130	136	141	147	154	159	167	173	620	1,420
Reform excise taxes on business aviation ¹	44	106	169	235	300	322	325	329	332	336	854	2,498
Subtotal, close loopholes	11	2,493	4,974	5,506	5,971	6,426	6,898	7,418	8,010	8,697	9,448	25,370	65,841
Improve tax administration:													
Enhance accuracy of tax information:													
Expand the Secretary’s authority to require electronic filing for forms and returns
Improve information reporting for reportable payments subject to backup withholding	41	95	161	221	231	241	252	263	275	301	749	2,081
Subtotal, enhance accuracy of tax information	41	95	161	221	231	241	252	263	275	301	749	2,081
Amend the centralized partnership audit regime to permit the carryover of a reduction in tax that exceeds a partner’s tax liability	-5	-5	-6	-6	-7	-7	-7	-7	-8	-8	-29	-66
Incorporate chapters 2/2A in centralized partnership audit regime proceedings
Allow partnerships to resolve audits earlier	127	49	8	8	9	9	10	10	10	10	201	250
Modify requisite supervisory approval of penalty included in notice	148	152	154	160	162	175	171	178	185	194	776	1,679
Modify the requirement that general counsel review certain offers in compromise	6	15	10	2	2	2	2	2	2	2	35	45
Simplify foreign exchange gain or loss rules and exchange rate rules for individuals	-1	-2	-3	-3	-3	-3	-3	-3	-4	-4	-12	-29
Modernize reporting with respect to foreign tax credits to reduce burden and increase compliance	-10	-31	-34	-34	-34	-35	-35	-36	-39	-40	-143	-328
Authorize limited sharing of business tax return information to measure the economy more accurately
Expand TIN matching and improve child support enforcement
Clarify that information previously disclosed in a judicial or administrative proceeding is not return information	2	2	2	2	2	2	2	2	2	2	10	20
Require earlier electronic filing deadlines for certain information returns	175	153	129	118	106	75	59	41	43	45	681	944
Allow the Tax Court to review all evidence in innocent spouse relief cases
Permit electronically provided notices
Reform Federal grants to low-income taxpayer clinics
Subtotal, improve tax administration	483	428	421	468	468	459	451	450	466	502	2,268	4,596
Improve tax compliance:													
Address taxpayer noncompliance with listed transactions:													
Extend statute of limitations for listed transactions	23	51	64	78	76	74	73	72	70	69	292	650
Impose liability on shareholders to collect unpaid income taxes of applicable corporations	492	513	534	556	579	604	630	658	686	716	2,674	5,968
Subtotal, address taxpayer noncompliance with listed transactions	515	564	598	634	655	678	703	730	756	785	2,966	6,618
Impose an affirmative requirement to disclose a position contrary to a regulation	9	11	11	12	14	14	15	15	16	18	57	135

Table 18-3. EFFECT OF BUDGET PROPOSALS—Continued

(In millions of dollars)

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2025–2029	2025–2034
Require employers to withhold tax on failed nonqualified deferred compensation plans .....	.....	206	215	225	235	245	256	267	279	291	304	1,126	2,523
Extend to six years the statute of limitations for certain tax assessments .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Increase the statute of limitations on assessment of the COVID-related paid leave and employee retention tax credits ²	42	557	1,624	1,327	218	.....	.....	.....	.....	.....	.....	3,726	3,726
Impose penalties for inaccurate or fraudulent employment tax returns ² .....	.....	1,704	95	45	11	.....	.....	.....	.....	.....	.....	1,855	1,855
Expand and increase penalties for noncompliant return preparation and e-filing and authorize IRS oversight of paid preparers:													
Expand and increase penalties for return preparation and e-filing ² .....	.....	40	53	49	50	55	60	66	72	78	85	247	608
Grant authority to IRS for oversight of paid preparers ² .....	.....	28	51	70	87	98	100	100	99	98	97	334	828
Subtotal, expand and increase penalties and oversight for return preparation and e-filing .....	.....	68	104	119	137	153	160	166	171	176	182	581	1,436
Make repeated willful failure to file a tax return a felony for those with significant tax liability .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Expand IRS summons authority for large partnerships .....	.....	143	244	255	265	276	288	300	313	326	340	1,183	2,750
Address compliance in connection with tax responsibilities of expatriates .....	.....	.....	1	2	3	4	5	5	4	4	4	10	32
Define control of the payment of wage	42	3,202	2,858	2,582	1,515	1,347	1,401	1,456	1,512	1,569	1,633	11,504	19,075
Modernize rules, including those for digital assets:													
Apply the wash sale rules to digital assets and address related party transactions .....	.....	1,034	1,774	2,151	2,313	2,515	2,776	2,979	3,201	3,433	3,650	9,787	25,826
Modernize rules treating loans of securities as tax-free to include other asset classes and address income inclusion .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Provide for information reporting by certain financial institutions and digital asset brokers for purposes of exchange of information .....	.....	239	279	297	316	334	357	382	403	427	451	1,465	3,485
Require reporting by certain taxpayers of foreign digital asset accounts .....	.....	375	439	466	497	526	561	600	634	671	708	2,303	5,477
Amend the mark-to-market rules to include digital assets .....	.....	8,047	-58	-64	-70	-77	-85	-94	-103	-113	-125	7,778	7,258
Subtotal, modernize rules, including those for digital assets .....	.....	9,695	2,434	2,850	3,056	3,298	3,609	3,867	4,135	4,418	4,684	21,333	42,046
Improve benefits tax administration:													
Rationalize funding for post-retirement medical and life insurance benefits .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Clarify tax treatment of on-demand pay arrangements .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Amend the excise tax on employment-based group health plans .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Subtotal, improve benefits tax administration .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Strengthen program integrity:													
Extend mandatory funding provided to the IRS through fiscal year 2034 ² .....	.....	.....	-2,673	-2,822	-2,177	-648	27,973	42,108	51,231	60,198	63,520	-8,320	236,710
Subtotal, strengthen program integrity .....	.....	.....	-2,673	-2,822	-2,177	-648	27,973	42,108	51,231	60,198	63,520	-8,320	236,710
Other initiatives:													
Extend surprise billing protections to ground ambulances ² .....	.....	.....	72	99	102	111	114	118	125	130	137	384	1,008
Improve access to behavioral healthcare in the private insurance market ² .....	.....	.....	.....	-2,464	-3,420	-3,585	-3,753	-3,914	-4,136	-4,343	-4,564	-9,469	-30,179
Require coverage of three primary care visits and three behavioral health visits without cost-sharing ² .....	.....	.....	.....	-4,787	-4,448	-1,689	-1,016	-1,075	-1,131	-1,192	-1,259	-10,924	-16,597
Limit cost-sharing for insulin at \$35 per month ² .....	.....	-552	-441	-83	.....	.....	.....	.....	.....	.....	.....	-1,076	-1,076
Require 12 months of Medicaid postpartum coverage ² .....	.....	82	86	90	92	95	96	106	114	120	126	445	1,007

Table 18-3. EFFECT OF BUDGET PROPOSALS—Continued

(In millions of dollars)

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2025–2029	2025–2034
Expand the continuous eligibility requirement for all children in Medicaid and CHIP from 12 to 36 months ²	10	16	22	27	27	29	23	21	16	15	102	206
Provide continuous eligibility for children in Medicaid and CHIP from birth until they turn age 6 ²	11	17	18	18	18	11	9	11	10	64	123
Prohibit enrollment fees and waiting periods in CHIP ²	8	5	7	6	7	6	1	-2	-2	-2	33	34
Increase civil penalties for labor law violations	150	200	250	250	250	250	250	300	300	300	1,100	2,500
Establish Electronic Visa Update System user fee	7	7	8	8	8	8	8	8	8	8	38	78
Fund Unemployment Insurance program integrity	-6	-5	-10	-11	-11	-18	-16	-11	-77
Increase FHLB contribution to the Affordable Housing Program ¹	284	284	284	284	284	284	284	284	284	284	1,420	2,840
Subtotal, other initiatives	-11	240	-6,557	-7,087	-4,479	-3,974	-4,199	-4,419	-4,686	-4,961	-17,894	-40,133
Total, effects of budget proposals	117,741	187,625	372,548	376,368	391,425	409,712	447,480	469,408	486,954	510,578	547,694	1,737,678	4,199,792

¹ Net of income offsets.² This proposal affects both receipts and outlays. The net effect is shown above. The outlay effects included in these estimates are as follows:

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2025–2029	2025–2034
Expand the child credit, and make permanent full refundability and advanceability	-80	-186,320	-39,499	-8,623	-8,187	-8,188	-8,200	-8,261	-8,176	-8,195	-4,858	-250,817	-288,507
Restore and make permanent the American Rescue Plan expansion of the earned income tax credit for workers without qualifying children	-2	-13,779	-14,068	-13,955	-14,097	-14,288	-14,439	-14,504	-14,610	-14,722	-14,815	-70,187	-143,277
Make permanent the Inflation Reduction Act expansion of health insurance premium tax credits	-9,333	-13,774	-14,785	-15,571	-16,469	-16,991	-17,789	-18,865	-19,948	-53,463	-143,525
Make the adoption tax credit refundable and allow certain guardianship arrangements to qualify	-2,653	-1,481	-1,252	-1,253	-1,254	-1,265	-1,273	-1,268	-1,282	-6,639	-12,981
Make permanent the income exclusion for forgiven student debt	-2	-2	-23	-27	-29	-30	-32	-35	-27	-180
Provide tax credits for certain first-time homebuyers and home sellers	-11,287	-6,246	-2,943	.....	.....	.....	.....	.....	.....	.....	-20,476	-20,476
Increase the statute of limitations on assessment of the COVID-related paid leave and employee retention tax credits	10	144	434	372	72	.....	.....	.....	.....	.....	.....	1,022	1,022
Impose penalties for inaccurate or fraudulent employment tax returns	596	10	.....	.....	.....	.....	.....	.....	.....	.....	606	606
Expand and increase penalties for return preparation and e-filing	24	29	21	19	20	22	24	26	28	30	113	243
Grant authority to IRS for oversight of paid preparers	10	17	18	21	24	24	24	23	21	21	90	203
Extend mandatory funding provided to the IRS through fiscal year 2034	-2,673	-2,822	-2,177	-3,694	-14,718	-18,803	-19,485	-19,803	-20,128	-11,366	-104,303
Extend surprise billing protections to ground ambulances	15	21	21	25	24	24	25	26	27	82	208
Improve access to behavioral healthcare in the private insurance market	-628	-865	-916	-949	-969	-1,035	-1,071	-1,122	-2,409	-7,555
Require coverage of three primary care visits and three behavioral health visits without cost-sharing	-1,047	-965	-343	-182	-198	-206	-215	-224	-2,355	-3,380
Limit cost-sharing for insulin at \$35 per month	-143	-106	-17	.....	.....	.....	.....	.....	.....	.....	-266	-266
Require 12 months of Medicaid postpartum coverage	82	86	90	91	93	93	102	109	113	118	442	977
Expand the continuous eligibility requirement for all children in Medicaid and CHIP from 12 to 36 months	10	16	22	27	27	29	23	21	16	15	102	206
Provide continuous eligibility for children in Medicaid and CHIP from birth until they turn age 6	11	18	18	19	18	12	10	11	11	66	128
Prohibit enrollment fees and waiting periods in CHIP	8	6	7	7	7	7	1	-1	-1	-1	35	40
Total, outlay effect of receipt proposals	-72	-210,655	-73,954	-44,723	-42,054	-44,061	-56,021	-60,810	-62,391	-63,957	-62,191	-415,447	-720,817

Table 18–4. RECEIPTS BY SOURCE
(In millions of dollars)

Source	2023 Actual	Estimate										
		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Individual income taxes:												
Federal funds.....	2,176,481	2,509,847	2,639,014	2,914,692	3,145,351	3,325,202	3,498,159	3,687,199	3,886,788	4,070,009	4,272,723	4,490,657
Legislative proposal, not subject to PAYGO .....	.....	-11,218	-57,936	-42,460	-42,397	-44,058	-44,237	-19,960	-8,710	-3,371	583	952
Legislative proposal, subject to PAYGO .....	.....	4,737	98,146	103,537	75,345	87,944	97,095	95,986	85,849	76,892	74,627	87,415
Amounts included in the adjusted baseline .....	.....	.....	.....	.....	.....	-2,025	-28,812	-38,655	-14,813	-7,340	-4,553	
Total, Individual income taxes.	2,176,481	2,503,366	2,679,224	2,975,769	3,178,299	3,369,088	3,548,992	3,734,413	3,925,272	4,128,717	4,340,593	4,574,471
Corporation income taxes:												
Federal funds.....	419,584	519,502	466,990	453,088	440,013	454,095	483,991	507,896	523,766	552,877	559,674	570,438
Legislative proposal, not subject to PAYGO .....	.....	.....	.....	.....	.....	.....	1,021	13,879	18,293	20,027	22,240	22,237
Legislative proposal, subject to PAYGO .....	.....	93,279	201,090	267,533	263,473	256,128	257,289	262,137	276,013	288,848	300,700	312,257
Amounts included in the adjusted baseline .....	.....	.....	.....	.....	.....	-1,021	-13,879	-11,717	-2,689	-903	-229	
Total, Corporation income taxes	419,584	612,781	668,080	720,621	703,486	710,223	741,280	770,033	806,355	859,063	881,711	904,703
Social insurance and retirement receipts (trust funds):												
Employment and general retirement:												
Old-age survivors insurance (off-budget).....	1,020,442	1,060,152	1,098,053	1,147,768	1,195,671	1,256,085	1,306,007	1,361,261	1,417,618	1,474,423	1,552,821	1,613,039
Legislative proposal, not subject to PAYGO .....	.....	-130	-114	-369	-1,642	-2,005	-1,654	-1,604	-1,679	-1,760	-1,843	-1,934
Disability insurance (off-budget).....	173,313	180,040	186,460	194,904	203,039	213,298	221,774	231,157	240,728	250,373	263,686	273,912
Legislative proposal, not subject to PAYGO .....	.....	-22	-19	-63	-279	-340	-280	-272	-285	-299	-312	-328
Hospital Insurance.....	357,762	384,393	398,836	415,342	433,379	455,812	474,815	495,926	517,602	539,662	569,563	593,099
Legislative proposal, not subject to PAYGO .....	.....	11,218	57,936	42,460	42,397	44,058	46,262	48,772	51,328	54,060	57,178	60,459
Legislative proposal, subject to PAYGO .....	.....	16,972	84,852	61,093	66,740	72,032	76,021	79,997	84,013	88,131	92,794	98,407
Railroad retirement:												
Social security equivalent account	2,912	2,633	2,648	2,692	2,739	2,785	2,833	2,881	2,929	2,978	3,028	3,087
Rail pension & supplemental annuity ..	3,718	3,592	3,610	3,683	3,755	3,828	3,901	4,152	4,273	4,352	4,620	4,761
Total, Employment and general retirement	1,558,147	1,658,848	1,832,262	1,867,510	1,945,799	2,045,553	2,129,679	2,222,270	2,316,527	2,411,920	2,541,535	2,644,502
On-budget.....	(364,392)	(418,808)	(547,882)	(525,270)	(549,010)	(578,515)	(603,832)	(631,728)	(660,145)	(689,183)	(727,183)	(759,813)
Off-budget.....	(1,193,755)	(1,240,040)	(1,284,380)	(1,342,240)	(1,396,789)	(1,467,038)	(1,525,847)	(1,590,542)	(1,656,382)	(1,722,737)	(1,814,352)	(1,884,689)
Unemployment insurance:												
Deposits by States ¹	41,276	44,867	46,727	48,932	51,100	52,710	52,604	53,865	57,166	57,610	59,301	63,083
Legislative proposal, not subject to PAYGO .....	.....	.....	.....	.....	.....	-5	-4	-9	-10	-10	-16	-14
Legislative proposal, subject to PAYGO .....	.....	.....	.....	.....	.....	-1	-1	-1	-1	-1	-2	-2
Amounts included in the adjusted baseline .....	.....	.....	.....	-3	-8	-14	-21	-20	-22	-23	-28	-26
Federal unemployment receipts	7,797	9,053	9,613	10,454	11,295	10,853	11,221	12,905	12,409	13,020	13,637	14,265
Railroad unemployment receipts	331	156	33	37	56	123	209	215	158	137	179	230
Total, Unemployment insurance	49,404	54,076	56,373	59,420	62,443	63,666	64,008	66,955	69,700	70,733	73,071	77,536

Table 18–4. RECEIPTS BY SOURCE—Continued
 (In millions of dollars)

Source	2023 Actual	Estimate										
		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Other retirement:												
Federal employees retirement - employee share	6,883	7,589	8,152	8,647	9,140	9,648	10,167	10,701	11,243	11,798	12,364	12,928
Non-Federal employees retirement	22	30	30	29	29	29	28	28	27	27	27	27
Total, Other retirement	6,905	7,619	8,182	8,676	9,169	9,677	10,195	10,729	11,270	11,825	12,391	12,955
Total, Social insurance and retirement receipts (trust funds)	1,614,456	1,720,543	1,896,817	1,935,606	2,017,411	2,118,896	2,203,882	2,299,954	2,397,497	2,494,478	2,626,997	2,734,993
On-budget	(420,701)	(480,503)	(612,437)	(593,366)	(620,622)	(651,858)	(678,035)	(709,412)	(741,115)	(771,741)	(812,645)	(850,304)
Off-budget	(1,193,755)	(1,240,040)	(1,284,380)	(1,342,240)	(1,396,789)	(1,467,038)	(1,525,847)	(1,590,542)	(1,656,382)	(1,722,737)	(1,814,352)	(1,884,689)
Excise taxes:												
Federal funds:												
Alcohol	9,501	9,645	9,608	9,593	9,588	9,644	9,700	9,755	9,813	9,876	9,950	10,037
Tobacco	10,299	9,706	8,578	8,345	8,298	8,190	8,062	7,966	7,849	7,734	7,621	7,497
Transportation fuels	-15,234	-5,763	-3,646	-1,120	-1,084	-1,020	-999	-983	-967	-944	-923	-906
Legislative proposal, subject to PAYGO .....	.....	.....	9	12	15	18	21	25	28	31	34	37
Telephone and teletype services	303	253	209	170	144	121	99	80	63	48	35	25
Indoor tanning services	66	63	61	60	58	57	55	54	53	51	50	49
Corporate stock repurchase	1,687	6,922	7,391	7,217	7,195	7,315	7,607	7,928	8,270	8,629	9,004	9,394
Other Federal fund excise taxes	-1,442	3,114	3,914	3,915	3,944	4,008	4,116	4,238	4,364	4,500	4,641	4,787
Legislative proposal, subject to PAYGO .....	.....	2,977	12,029	12,003	12,253	12,609	13,159	13,786	14,467	15,195	15,986	16,827
Total, Federal funds	5,180	26,917	38,153	40,195	40,411	40,942	41,820	42,849	43,940	45,120	46,398	47,747
Trust funds:												
Transportation	42,216	43,974	43,480	43,261	42,749	42,211	41,294	40,893	40,300	39,419	38,705	38,188
Airport and airway	22,277	19,900	20,215	20,693	21,290	22,066	22,907	23,847	24,863	25,954	27,080	28,250
Legislative proposal, subject to PAYGO .....	.....	.....	58	139	222	308	395	422	427	432	436	442
Sport fish restoration and boating safety	575	626	635	645	654	665	675	685	697	708	720	733
Tobacco assessments	11	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Black lung disability insurance	295	308	294	261	225	189	143	110	105	109	115	119
Inland waterway	95	114	114	113	113	113	113	112	112	112	112	111
Superfund	1,205	2,174	2,330	2,412	2,497	2,580	2,663	2,745	2,830	2,923	3,012	3,086
Legislative proposal, subject to PAYGO .....	.....	.....	231	317	328	339	349	357	364	374	382	388
Oil spill liability	347	537	542	547	550	555	558	558	558	560	560	560
Legislative proposal, subject to PAYGO .....	.....	.....	116	158	160	163	165	166	167	170	171	171
Vaccine injury compensation	220	289	290	292	294	297	301	304	307	310	312	315
Leaking underground storage tank	205	191	189	188	185	181	176	174	169	163	158	154
Supplementary medical insurance	2,797	4,263	2,800	2,800	2,800	1,483	2,800	4,117	2,800	2,800	2,800	1,483
Patient-centered outcomes research	379	422	449	472	491	516	543	570	601	632	666	702
Total, Trust funds	70,622	72,798	71,743	72,298	72,558	71,666	73,082	75,060	74,300	74,666	75,229	74,702
Total, Excise taxes	75,802	99,715	109,896	112,493	112,969	112,608	114,902	117,909	118,240	119,786	121,627	122,449
Estate and gift taxes:												
Federal funds:												
Federal funds	33,668	29,035	31,277	33,195	48,791	51,128	53,451	56,127	60,122	64,730	69,522	74,678
Legislative proposal, subject to PAYGO .....	.....	.....	1,346	1,556	3,839	5,652	7,535	9,183	9,317	9,939	10,890	11,884
Total, Estate and gift taxes	33,668	29,035	32,623	34,751	52,630	56,780	60,986	65,310	69,439	74,669	80,412	86,562

Table 18-4. RECEIPTS BY SOURCE—Continued
(In millions of dollars)

Source	2023 Actual	Estimate									
		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Customs duties and fees:											
Federal funds	78,251	79,191	58,414	50,207	50,527	52,024	54,002	56,114	58,417	50,530	52,553
Trust funds	2,087	2,193	2,257	2,321	2,411	2,502	2,594	2,695	2,801	2,904	3,007
Total, Customs duties and fees	80,338	81,384	60,671	52,528	52,938	54,526	56,596	58,809	61,218	53,434	55,560
Miscellaneous receipts:											
Federal funds:											
Miscellaneous taxes	1,139	826	828	829	830	832	824	825	826	828	828
Legislative proposal, subject to PAYGO .....	.....	.....	379	379	379	379	379	379	379	379	379
Deposit of earnings, Federal Reserve System	581	.....	.....	.....	25,007	40,027	51,401	61,671	71,135	79,067	84,788
Transfers from the Federal Reserve	721	763	811	832	855	877	901	925	951	976	1,003
Fees for permits and regulatory and judicial services	22,840	23,584	25,959	29,352	31,759	35,666	40,006	44,430	48,332	51,933	54,631
Legislative proposal, subject to PAYGO .....	.....	.....	7	7	8	8	8	8	8	8	8
Fines, penalties, and forfeitures	14,004	8,322	8,325	8,256	8,282	8,317	8,346	8,373	8,402	8,432	8,460
Legislative proposal, subject to PAYGO .....	.....	.....	150	200	250	250	250	250	250	300	300
Refunds and recoveries	-25	-10	-10	-10	-10	-10	-10	-10	-10	-10	-10
Total, Federal funds	39,260	33,485	36,449	39,845	67,360	86,346	102,105	116,851	130,273	141,913	150,387
Trust funds:											
United Mine Workers of America, combined benefit fund	11	6	5	5	4	4	3	3	3	2	2
Defense cooperation	452	139	142	145	148	151	155	158	161	164	168
Fees for permits and regulatory and judicial services	8	10	10	10	10	10	10	10	10	10	10
Fines, penalties, and forfeitures	887	1,082	1,031	969	984	992	1,010	996	988	635	629
Total, Trust funds	1,358	1,237	1,188	1,129	1,146	1,157	1,178	1,167	1,162	811	809
Total, Miscellaneous receipts	40,618	34,722	37,637	40,974	68,506	87,503	103,283	118,018	131,435	142,724	151,196
Total, budget receipts	4,440,947	5,081,546	5,484,948	5,872,742	6,186,239	6,509,624	6,829,921	7,164,446	7,509,456	7,872,871	8,258,096
On-budget	(3,247,192)	(3,841,506)	(4,200,568)	(4,530,502)	(4,789,450)	(5,042,586)	(5,304,074)	(5,573,904)	(5,853,074)	(6,150,134)	(6,443,744)
Off-budget	(1,193,755)	(1,240,040)	(1,284,380)	(1,342,240)	(1,396,789)	(1,467,038)	(1,525,847)	(1,590,542)	(1,656,382)	(1,722,737)	(1,814,352)
											(1,884,689)

¹ Deposits by States cover the benefit part of the program. Federal unemployment receipts cover administrative costs at both the Federal and State levels. Railroad unemployment receipts cover both the benefits and administrative costs of the program for the railroads.

² Represents employer and employee contributions to the civil service retirement and disability fund for covered employees of Government-sponsored, privately owned enterprises and the District of Columbia municipal government.

