14. COMPARISON OF ACTUAL TO ESTIMATED TOTALS

The Budget is required by statute to compare budget year estimates of receipts and outlays with the subsequent actual receipts and outlays for that year. This chapter meets that requirement by comparing the actual receipts, outlays, and deficit for 2025 with the current services estimates shown in the 2025 Budget, published in March 2024[1]. It also presents a more detailed comparison for mandatory and related programs, and reconciles the actual receipts, outlays, and deficit totals with the figures for 2025 previously published by the Department of the Treasury.

[1] The current services concept is discussed in the "Current Services Estimates" chapter of this volume. For a detailed explanation of the 2025 estimate, see the "Current Services Estimates" chapter of the 2025 Analytical Perspectives volume of the President's Budget.

Receipts

Actual receipts for 2025 were $5,236 billion, $150 billion more than the $5,087 billion current services estimate in the 2025 Budget, which was published in March 2024. As shown in Table 14-1, this increase was the net effect of legislative changes, economic conditions that differed from what had been expected, and technical factors that resulted in different tax liabilities and collection patterns than had been assumed.

Policy Differences

Legislated tax changes enacted after the March 2024 estimates were finalized decreased 2025 receipts by a net $51 billion relative to the 2025 Budget current services estimate.

The VSO Equal Tax Treatment Act (Public Law 118-146) allowed tax-exempt veterans' organizations to receive tax deductible charitable contributions for tax years after 2024. This Act was signed into law on December 12, 2024, and decreased 2025 receipts by $23 million.

The Federal Disaster Tax Relief Act of 2024 (Public Law 118-148) offered taxpayers in qualified disaster areas, such as East Palestine, Ohio and areas affected by wildfires, increased tax deductions for losses attributable to the disaster. This Act was signed into law on December 12, 2024, and decreased 2025 receipts by an estimated $2 billion.

The combined result of the American Relief Act, 2025 (Public Law 118-158), signed into law on December 21, 2024, and the Full-Year Continuing Appropriations and Extensions Act, 2025 (Public Law 119-4) signed into law on March 15, 2025, increased 2025 receipts by an estimated $8 billion.

The Working Families Tax Cut Act (WFTC, Public Law 119-21) permanently extended many of the provisions in the 2017 Tax Cut and Jobs Act (Public Law 115-97), provided additional comprehensive tax reform for individuals and corporations, and delivered on many of President Trump's campaign promises such as "No Tax on Tips," "No Tax on Overtime," and "No Tax on Car Loans." The Act was signed in to law on July 4, 2025, and decreased 2025 receipts by an estimated $57 billion.

Economic differences

Differences between the economic assumptions upon which the current services estimates were based and actual economic performance increased 2025 receipts by a net $101 billion relative to the March 2024 current services estimate. Stronger than anticipated GDP growth increased individual receipts by $71 billion and social insurance and retirement receipts by $15 billion relative to the March 2024 estimates. Different economic factors than those assumed in March 2024 had a smaller effect on other sources of receipts, increasing collections by a net $15 billion.

Technical Factors

Technical factors increased receipts by a net $100 billion relative to the March 2024 current services estimate. These factors had the greatest effect on customs duties, increasing collections by $132 billion. This significant increase in customs receipts is the result of the Administration's America First trade policies focusing on increased tariff collections. This increase in customs duties was offset by a net decrease of $32 billion attributable to other technical factors.

Outlays

Outlays for 2025 were $7,011 billion, $59 billion more than the $6,952 billion current services estimate in the 2025 Budget. Table 14–2 distributes the $59 billion net increase in outlays among discretionary and mandatory

Table 14—1. Comparison of Actual 2025 Receipts with the Initial Current Services Estimates
In Billions of Dollars

	Estimate (March 2024)	Changes			Total Changes	Actual
		Legislative	Economic	Technical		
Individual income taxes	2,639	–16	71	–38	17	2,656
Corporation income taxes	467	–35	7	13	–15	452
Social insurance and retirement receipts	1,754	....	15	–21	–6	1,748
Excise taxes	97	0	2	6	8	106
Estate and gift taxes	31	....	5	–6	–2	29
Customs duties	61	....	2	132	134	195
Miscellaneous receipts	37	....	....	13	13	50
Total receipts	5,087	–51	101	100	150	5,236

Table 14—2. Comparison of Actual 2025 Outlays with the Initial Current Services Estimates
In Billions of Dollars

	Estimate (March 2024)	Changes			Total Changes	Actual
		Policy	Economic	Technical		
Discretionary						
Defense	884	55	....	–46	9	894
Nondefense	995	42	....	–56	–14	982
Subtotal, discretionary	1,879	98	....	–102	–4	1,875
Mandatory						
Social Security	1,543	....	–1	33	32	1,575
Other programs	2,560	–122	10	142	30	2,591
Subtotal, mandatory	4,104	–122	9	175	62	4,166
Net interest	969	*	–43	43	1	970
Total outlays	6,952	–24	–33	117	59	7,011

* 500 million or less

Table 14—3. Comparison of the Actual 2025 Deficit with the Initial Current Services Estimate
In Billions of Dollars

	Estimate (March 2024)	Changes			Total Changes	Actual
		Policy	Economic	Technical		
Receipts	5,087	–51	101	100	150	5,236
Outlays	6,952	–24	–33	117	59	7,011
Deficit	1,865	27	–134	17	–90	1,775

Note: Deficit changes are outlays minus receipts. For these changes, a positive number indicates an increase in the deficit.

programs and net interest. The table also shows rough estimates according to three reasons for the changes: policy; economic conditions; and technical estimating differences, a residual.

Policy Differences

Policy changes are the result of legislative actions that change spending levels, primarily through higher or lower appropriations or changes in authorizing legislation, which may themselves be in response to changed economic conditions. For 2025, policy changes decreased outlays by $24 billion relative to the initial current services estimates. Policy changes increased discretionary outlays by $98 billion, largely due to the Consolidated Appropriations Act, 2024 (Public Law 118-42), the related Further Consolidated Appropriations Act, 2024 (Public Law 118-47), and the Full-Year Continuing Appropriations and Extensions Act, 2025 (Public Law 119-4) and several emergency supplemental appropriations. Policy changes decreased mandatory outlays by a net $122 billion, largely due to significant programmatic changes to higher education programs included in the WFTC. Debt service costs associated with all policy changes increased outlays by less than $1 billion.

Economic and Technical Factors

Economic and technical estimating factors resulted in a net increase in outlays of $84 billion. Technical changes result from changes in such factors as the number of beneficiaries for entitlement programs, crop conditions, or other factors not associated with policy changes or economic conditions. Defense and non-defense discretionary spending decreased by $102 billion relative to the 2025 current services estimate largely due to slower-than-estimated spending of both new and prior-year authority. Outlays for mandatory programs increased $184 billion due to economic and technical factors. Outlays for net interest were approximately $1 billion higher due to economic and technical factors, primarily due to higher interest rates than originally assumed.

Deficit

The preceding two sections discussed the differences between the initial current services estimates and the actual Federal Government receipts and outlays for 2025. This section combines these effects to show the net deficit impact of these differences.

As shown in Table 13–3, the 2025 current services deficit was initially estimated to be $1,865 billion. The actual deficit was $1,775 billion, which was a $90 billion decrease from the initial estimate. Receipts were $150 billion higher and outlays were $59 billion higher than the initial estimate. The table shows the distribution of the changes according to the categories in the pre-ceding two sections. The net effect of policy changes for receipts and outlays increased the deficit by $27 billion. Economic conditions that differed from the initial assumptions in March 2025 decreased the deficit by $134 billion. Technical factors increased the deficit by an estimated $17 billion.

Table 14—4. Comparison of Actual and Estimated Outlays for Mandatory and Related Programs Under Current Law

In Billions of Dollars

	2025		
	Estimate	Actual	Change
Mandatory Outlays			
Human resources programs:			
Education, training, employment, and social services:			
Higher Education	45	–74	–120
Other	17	22	5
Total, education, training, employment, and social services	62	–53	–115
Health:			
Medicaid	587	668	82
Other	174	216	42
Total, health	760	884	124
Medicare	936	988	51
Income security:			
Retirement and disability	198	196	–1
Unemployment compensation	49	38	–10
Food and nutrition assistance	155	141	–14
Other	198	213	14
Total, income security	600	588	–11
Social security	1543	1575	32
Veterans benefits and services:			
Income security for veterans	191	201	10
Other	44	51	7
Total, veterans benefits and services	234	251	17
Total, mandatory human resources programs	4,136	4,234	98
Other functions:			
Agriculture	22	22	–*
International	–3	–16	–13
Mortgage credit	–14	–33	–19
Deposit insurance	–11	–32	–21
Other advancement of commerce	26	35	10
Other functions	97	107	9
Total, other functions	117	82	–35
Undistributed offsetting receipts:			
Employer share, employee retirement	–141	–144	–3
Rents and royalties on the outer continental shelf	–8	–6	2
Other undistributed offsetting receipts	–*	–*	–*
Total, undistributed offsetting receipts	–149	–150	–1
Total, mandatory	4,104	4,166	62
Net Interest			
Interest on Treasury debt securities (gross)	1,211	1,216	5
Interest received by trust funds	–174	–188	–14
Other interest	–68	–58	10
Total, net interest	969	970	1
Total, outlays for mandatory and net interest	5,072	5,136	64

* $500 million or less

Comparison of the Actual and Estimated Outlays for Mandatory and Related Programs for 2025

This section compares the original 2025 outlay estimates for mandatory and related programs in the current services estimates of the 2025 Budget with the actual outlays. Major examples of these programs include Social Security and Medicare benefits, Medicaid and unemployment compensation payments, and deposit insurance for banks and thrift institutions. This category also includes net interest outlays and undistributed offsetting receipts.

A number of factors may cause differences between the amounts estimated in the Budget and the actual mandatory outlays. For example, legislation may change benefit rates or coverage, the actual number of beneficiaries may differ from the number estimated, or economic conditions (such as inflation or interest rates) may differ from what was assumed in making the original estimates.

Table 14–4 shows the differences between the actual outlays for these programs in 2025 and the current services estimates included in the 2025 Budget. Actual outlays for mandatory spending and net interest in 2025 were $5,136 billion, which was $64 billion more than the current services estimate of $5,072 billion in March 2024.

As Table 14–4 shows, actual outlays for mandatory human resources programs were $4,234 billion, $98 billion higher than originally estimated. This increase was the net effect of legislative action, differences between actual and assumed economic conditions, differences between the anticipated and actual number of beneficiaries, and other technical differences.

Outlays in higher education programs were $115 billion lower than estimates primarily due to the changes in federal student loan repayment plans and loan cancellation reforms enacted in the WFTC. Health program outlays were $124 billion higher than estimates, driven by higher than estimated outlays in Medicaid resulting in $82 billion in additional outlays, and the refundable premium tax credit resulting in $47 billion more outlays. Outlays for Social Security were $32 billion higher than projected in the 2025 Budget mainly due to the implementation of the Social Security Fairness Act, which was not anticipated in the 2025 Budget projections, and a higher than estimated number of beneficiaries. In addition, income security, veterans' benefits and services programs, and other functions accounted for an increase of outlays of $51 billion.

Outlays for net interest were $970 billion, or $1 billion higher than the original estimate. As shown on Table 14–4, interest payments on Treasury debt securities increased by $5 billion. Interest earnings of trust funds increased by $14 billion, decreasing net outlays, while net outlays for other interest increased net outlays by $10 billion.

Reconciliation of Differences with Amounts Published by the Treasury for 2025

Table 14-5 provides a reconciliation of the receipts, outlays, and deficit totals for 2025 published by the Department of the Treasury in the September 2025 Monthly Treasury Statement (MTS) and those published in this Budget. The Department of the Treasury made adjustments to the estimates for the Combined Statement of Receipts, Outlays, and Balances that increased outlays by $18 million. Additional adjustments for the 2027 Budget increased receipts by $1,805 million and increased outlays by $1,113 million. Some of these adjustments were for financial transactions that are not reported to the Department of the Treasury but are included in the Budget, including those for the Affordable Housing Program, the Concrete Masonry Products Board, the Electric Reliability Organization, Federal Financial Institutions Examination Council Activities and Assessments, Federal Retirement Thrift Investment Board Program Expenses, the National Oilheat Research Alliance, the Public Company Accounting Oversight Board, the Puerto Rico Oversight Board, the Securities Investor Protection Corporation, fees and payments related to the Standard Setting Body, and the United Mine Workers of America benefit funds. There was also an adjustment for the National Railroad Retirement Investment Trust (NRRIT), which relates to a conceptual difference in reporting. NRRIT reports to the Department of the Treasury with a one-month lag so that the fiscal year total provided in the Treasury Combined Statement covers September 2024 through August 2025. The Budget has been adjusted to reflect NRRIT transactions that occurred during the actual fiscal year, which begins October 1.

Table 14—5. Reconciliation of Final Amounts for 2025

In Millions of Dollars

	Receipts	Outlays	Deficit
Totals published by Treasury (September MTS)	5,234,616	7,009,974	1,775,358
Miscellaneous Treasury adjustments	....	18	18
Totals published by Treasury in Combined Statement	5,234,616	7,009,992	1,775,376
Affordable Housing Program	650	650	....
Concrete Masonry Products Board	10	....	–10
Electric Reliability Organization	116	116	....
Federal Financial Institutions Examination Council Activities and Assessments	24	24	....
Federal Retirement Thrift Investment Board Program Expenses	....	–33	–33
National Oilheat Research Alliance	8	6	–2
National Railroad Retirement Investment Trust	....	–158	–158
Public Company Accounting Oversight Board	376	359	–17
Puerto Rico Oversight Board	59	59	....
Securities Investor Protection Corporation	519	45	–474
Standard Setting Body	33	33	....
United Mine Workers of America benefit funds	9	9	....
Other	1	3	2
Total adjustments, net	1,805	1,113	–692
Totals in the Budget	5,236,421	7,011,105	1,774,684
MEMORANDUM			
Total change since year–end statement	1,805	1,131	–674

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