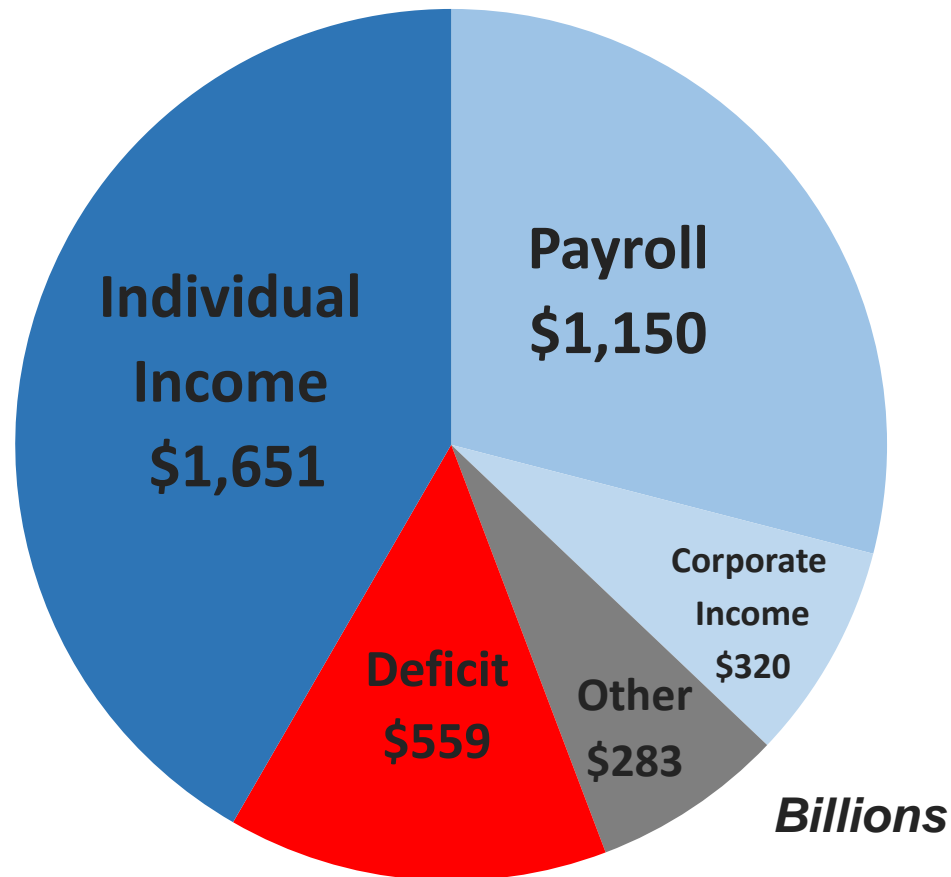


# Where Does The Federal Government's Money Come From?

*Individual income and payroll taxes cover over two-thirds of government spending.*

*In 2017, one-seventh of the government's spending will be financed by deficits.*



*Source: Congressional Budget Office, January 2017 budget projections.*



# U.S. TAXPAYER RECEIPT

SHARE OF EACH \$100 PAID IN TAXES

ITEM	PRICE
SOCIAL SECURITY	\$23.61
HEALTH	\$26.26
MEDICARE	\$15.26
MEDICAID	\$9.55
OTHER HEALTH	\$1.45
DEFENSE AND MILITARY BENEFITS	\$19.82
INTEREST	\$6.25
CIVILIAN FEDERAL RETIREMENT	\$2.57
TRANSPORTATION	\$2.39
REFUNDABLE CREDITS	\$2.21
FOOD STAMPS	\$1.89
EDUCATION	\$2.08
SUPPLEMENTAL SECURITY INCOME	\$1.53
JUSTICE	\$1.48
HOUSING ASSISTANCE	\$1.27
UNEMPLOYMENT INSURANCE	\$0.86
NATURAL RESOURCE PROTECTION	\$1.01
FOREIGN AID	\$1.14
CHILD NUTRITION	\$0.60
OTHER	\$5.03
TOTAL	\$100.00

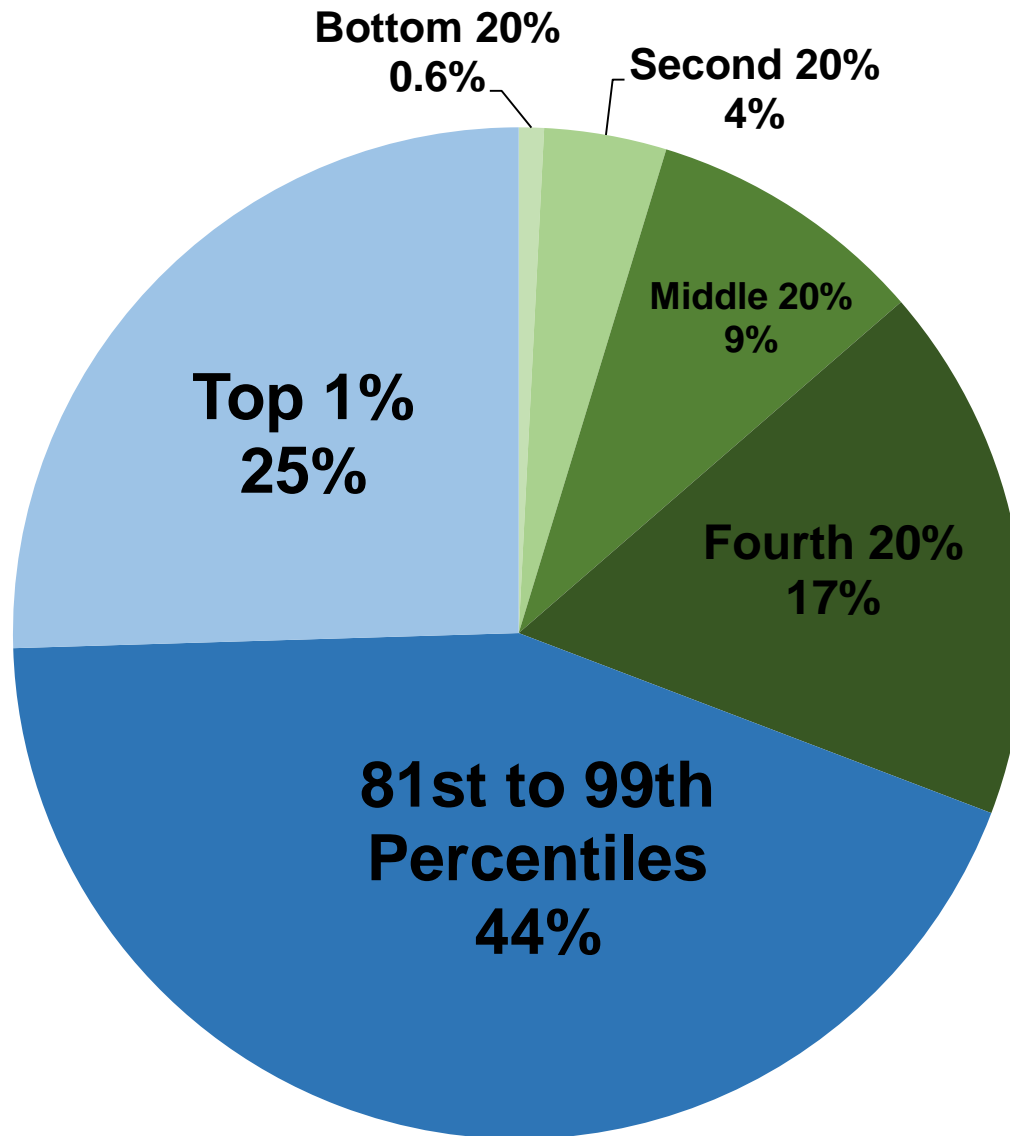
CUSTOMER COPY



COMMITTEE FOR A  
RESPONSIBLE FEDERAL BUDGET



# Who Pays Federal Taxes?



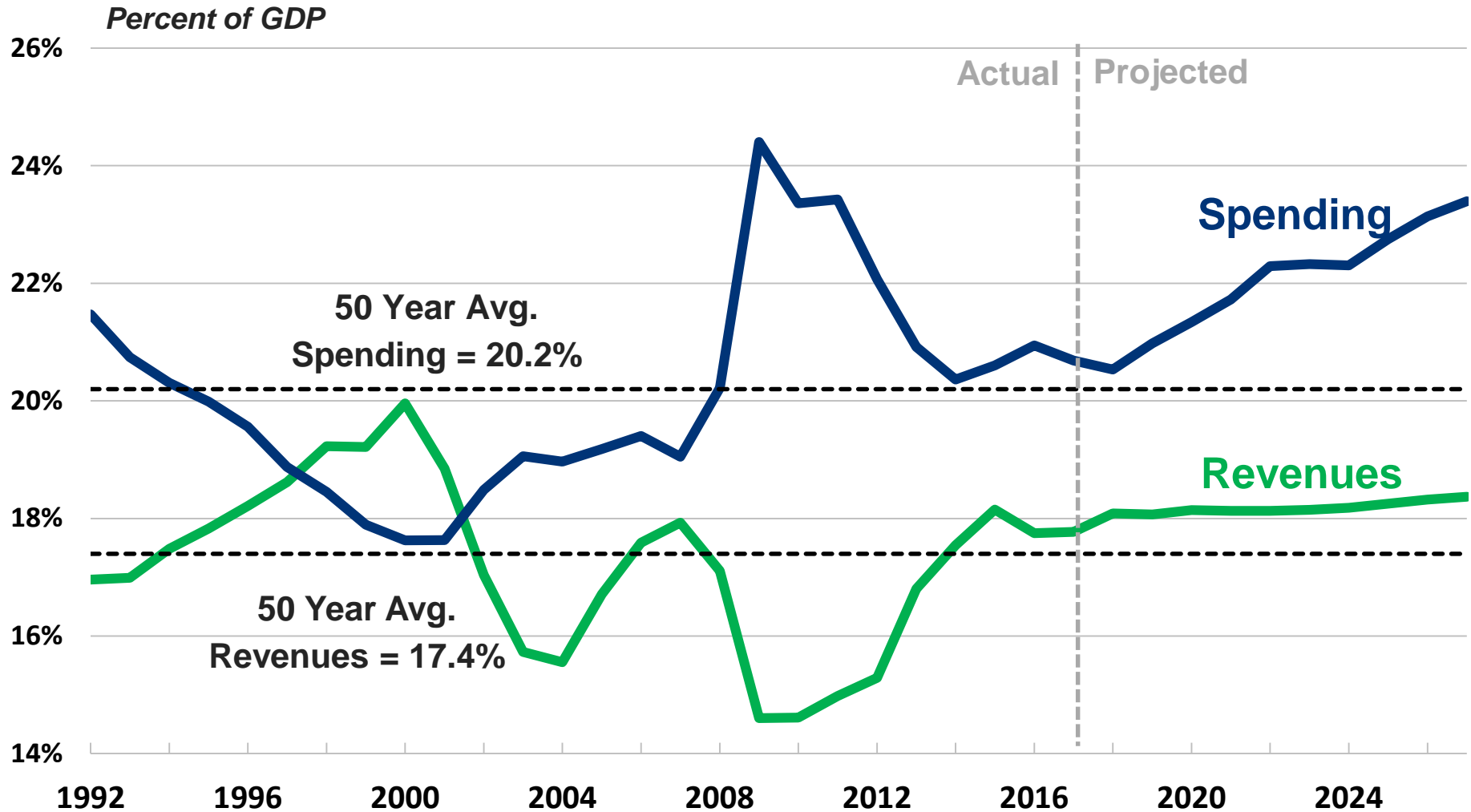
*The top 20% of households pay almost 70% of the nation's taxes. The top 1% is responsible for paying one quarter.*

*Percentage of all federal taxes paid, by household income*

*Source: Congressional Budget Office, "The Distribution of Household Income and Federal Taxes, 2013". Published 2016*



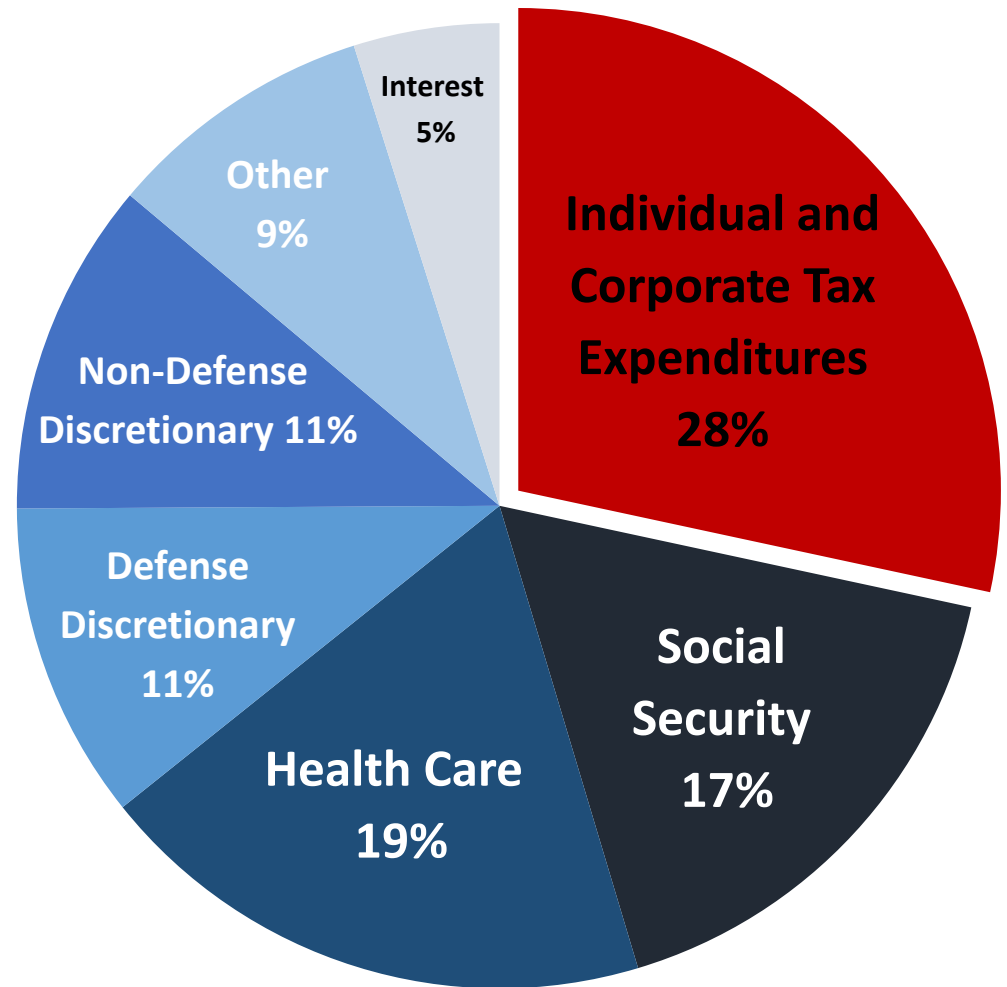
# Revenues Don't Cover Spending



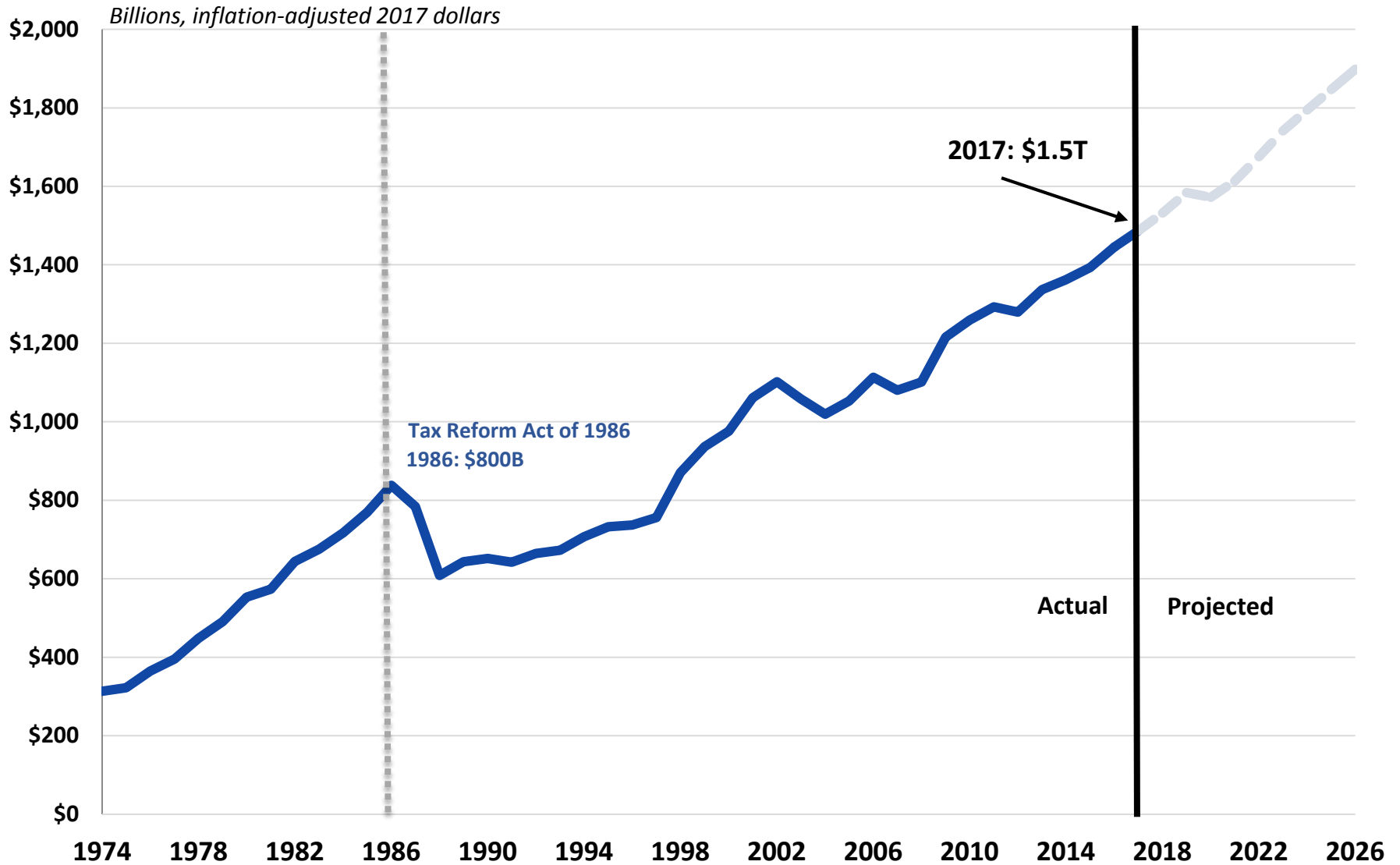
# Tax Expenditures: Another Kind of Spending

*Tax Expenditures aren't part of the budget that Congress passes every year, but are similar to government spending programs. Think about it: \$1,000 given out in Pell grants and \$1,000 given out through education tax credits will both give \$1,000 to students.*

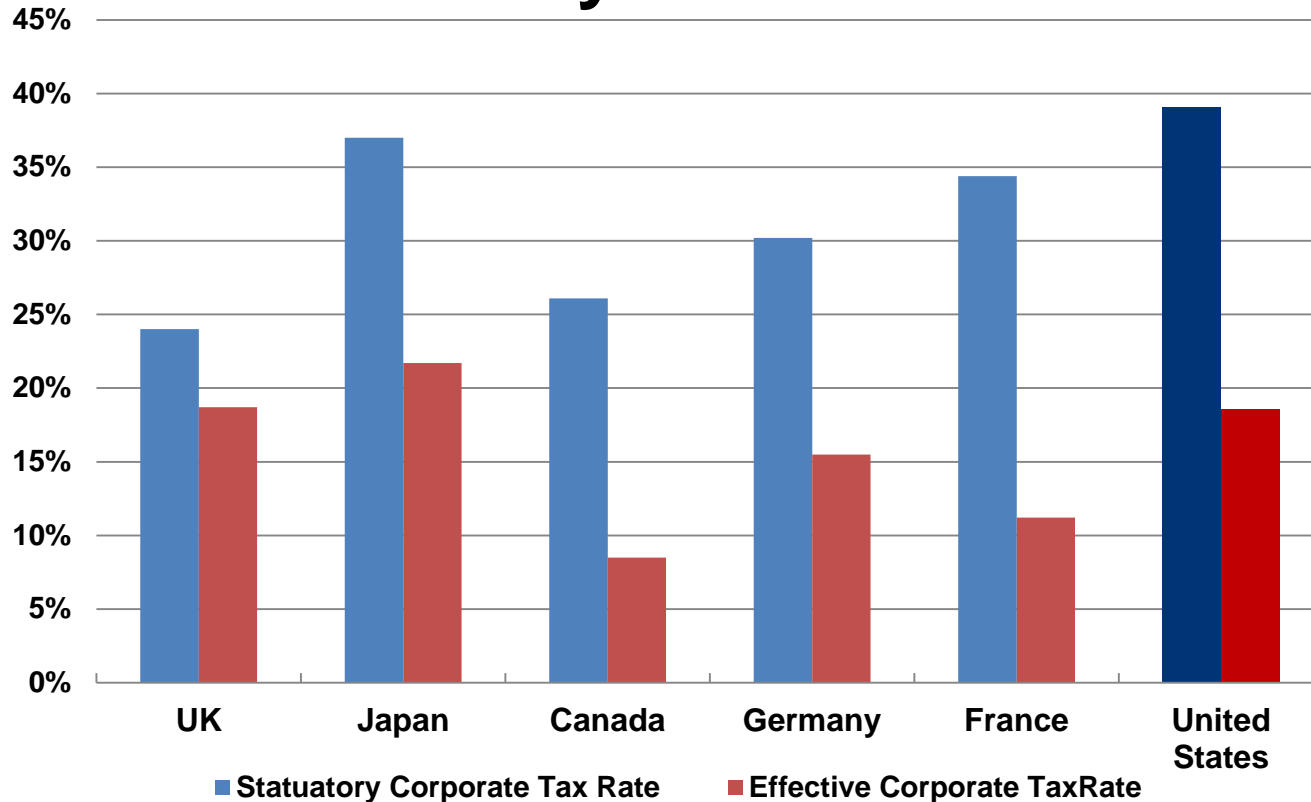
*If they were counted as a normal part of the budget, tax expenditures would be more than a quarter of spending.*



# Tax Breaks Have Grown Over Time



# US Corporations Have High Tax Rates, But Many Pay Less

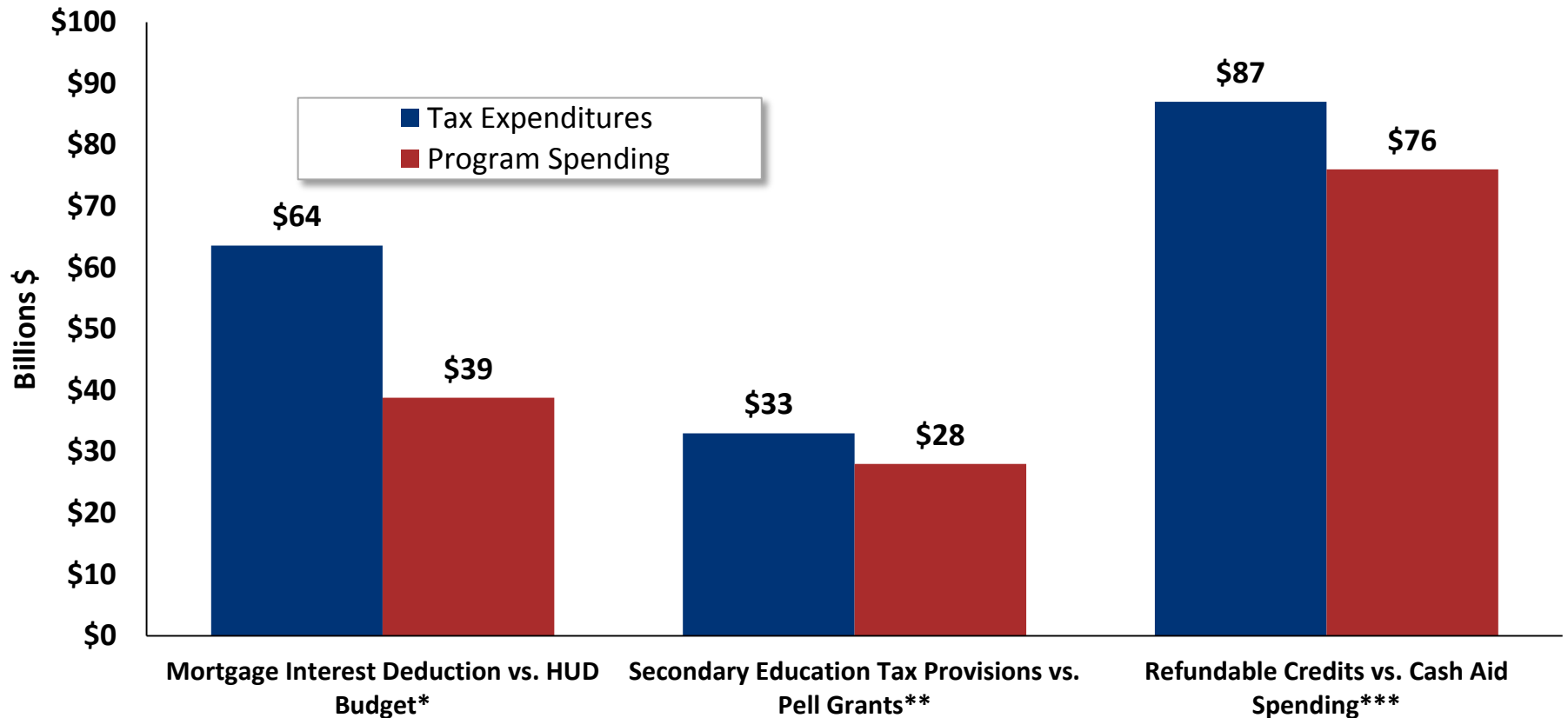


**American corporate tax rates are among the highest in the world- but thanks to tax expenditures and various deductions, the amount businesses actually pay is often much lower. Since many expenditures are industry-specific, some businesses have dramatically higher tax burdens than others.**



# Tax Expenditures Bigger than Some Spending Programs

*Spending through the tax code exceeds government spending on the cash assistance programs and support for housing.*



\*Source: Congressional Budget Office; Joint Committee on Taxation

\*\*Tax expenditures include the American Opportunity credit, Lifetime Learning credit, personal exemption for students, exclusion of scholarship income, tuition & fees deduction, and other smaller deductions and exclusions. Source: Joint Committee on Taxation

\*\*\* Refundable credits include EITC and Child Tax Credit. Spending includes SSI, TANF, and Foster Care Assistance. Source: CBO

