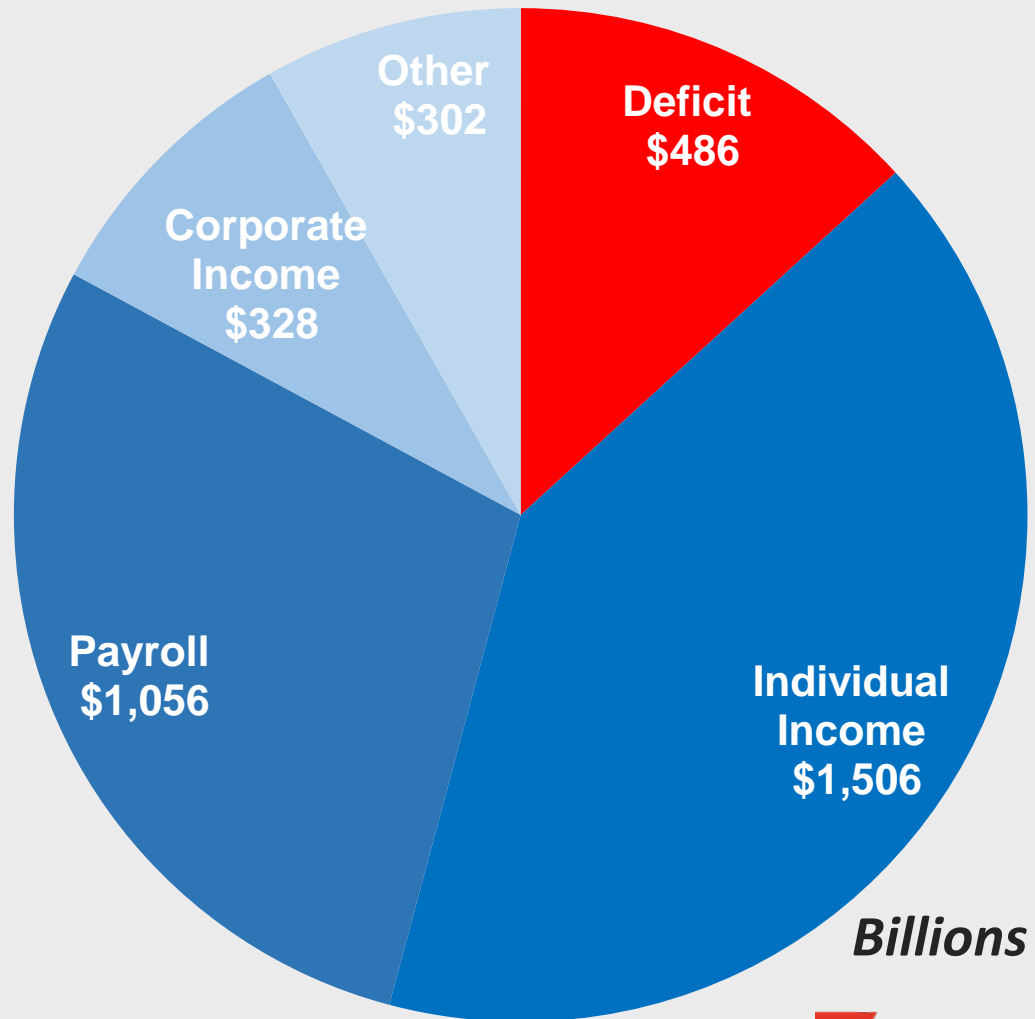


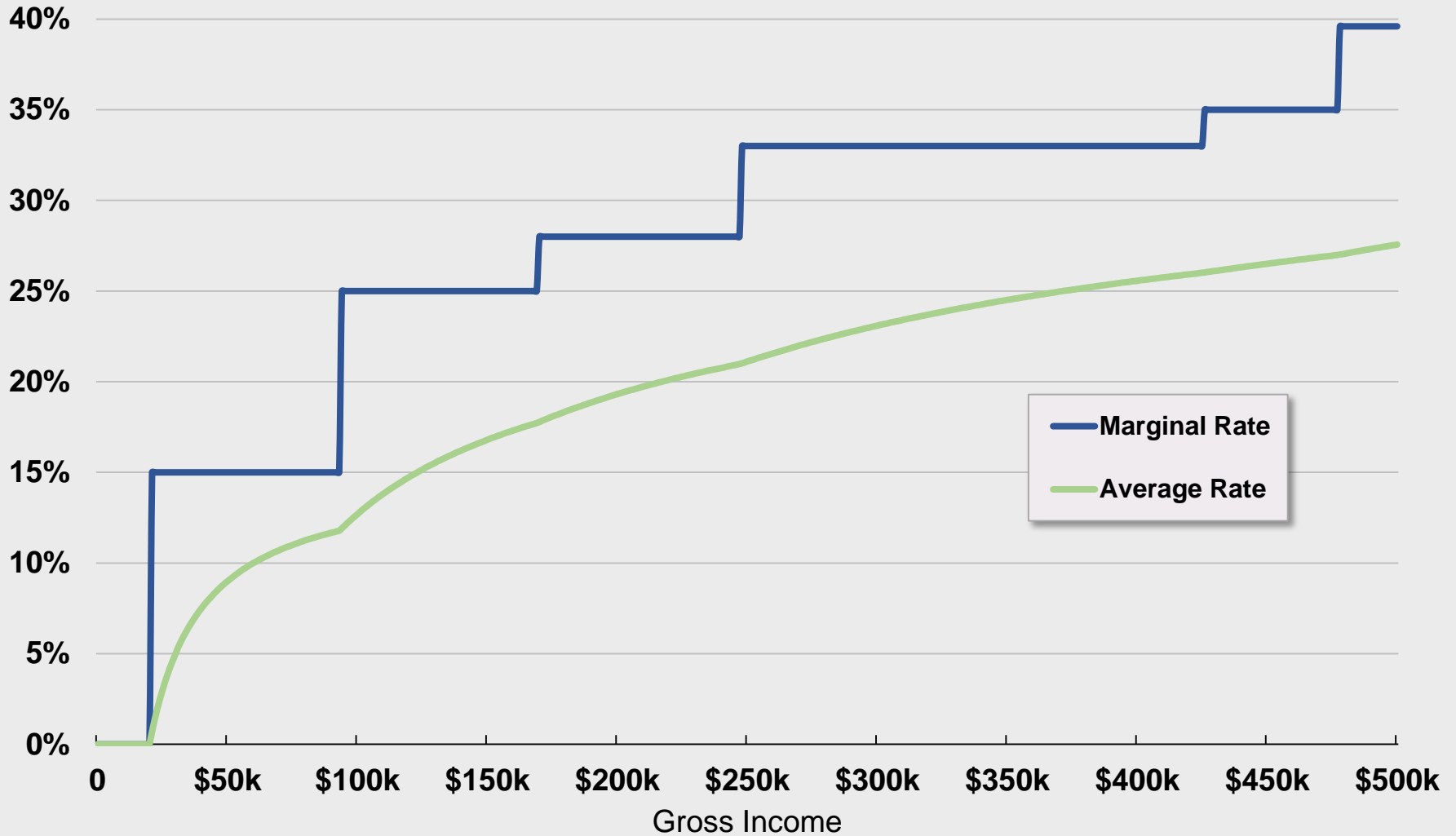
Where Does The Federal Government's Money Come From?

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

In 2015, one-eighth of the government's spending will be financed by deficits.

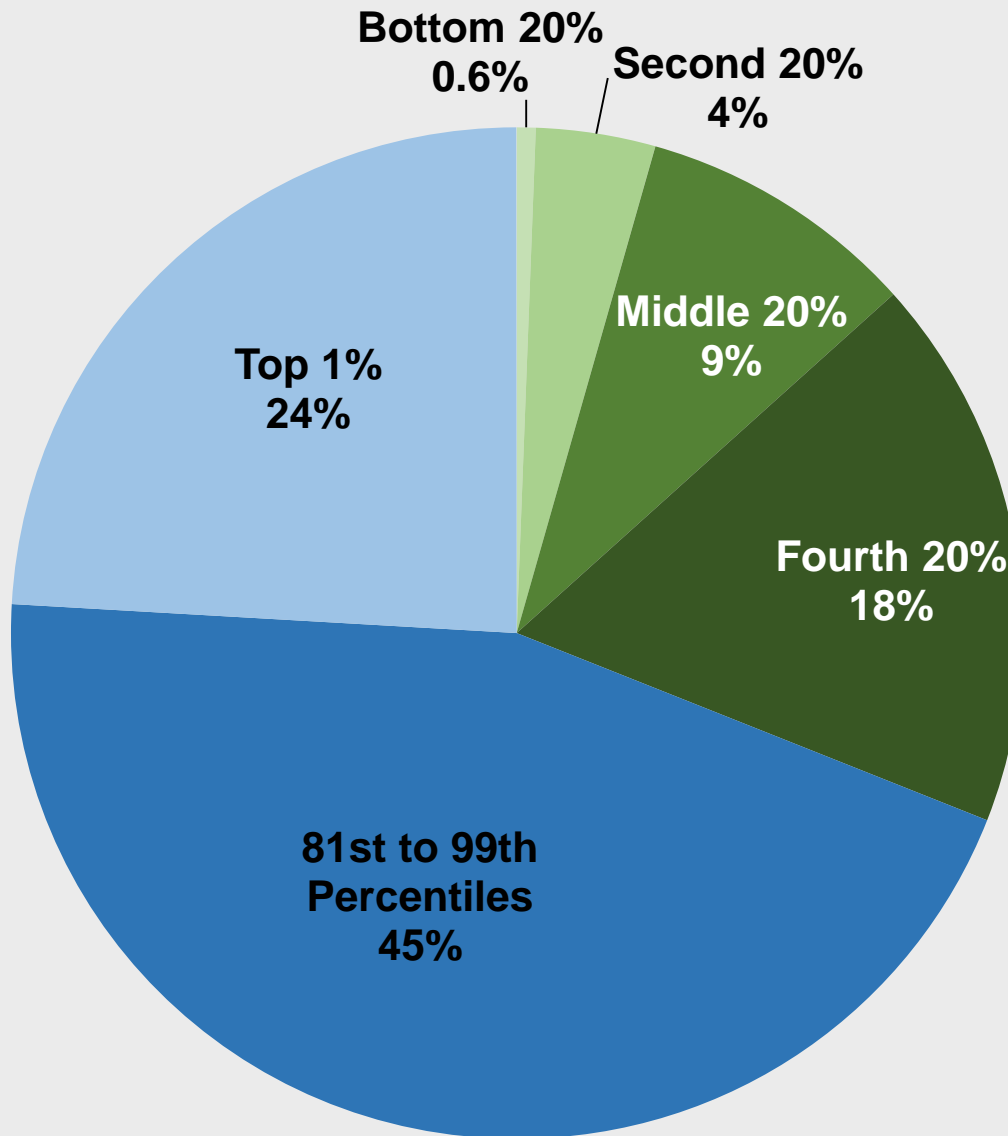


Income Tax Rates



(Tax rates in 2014 for a married couple filing jointly)

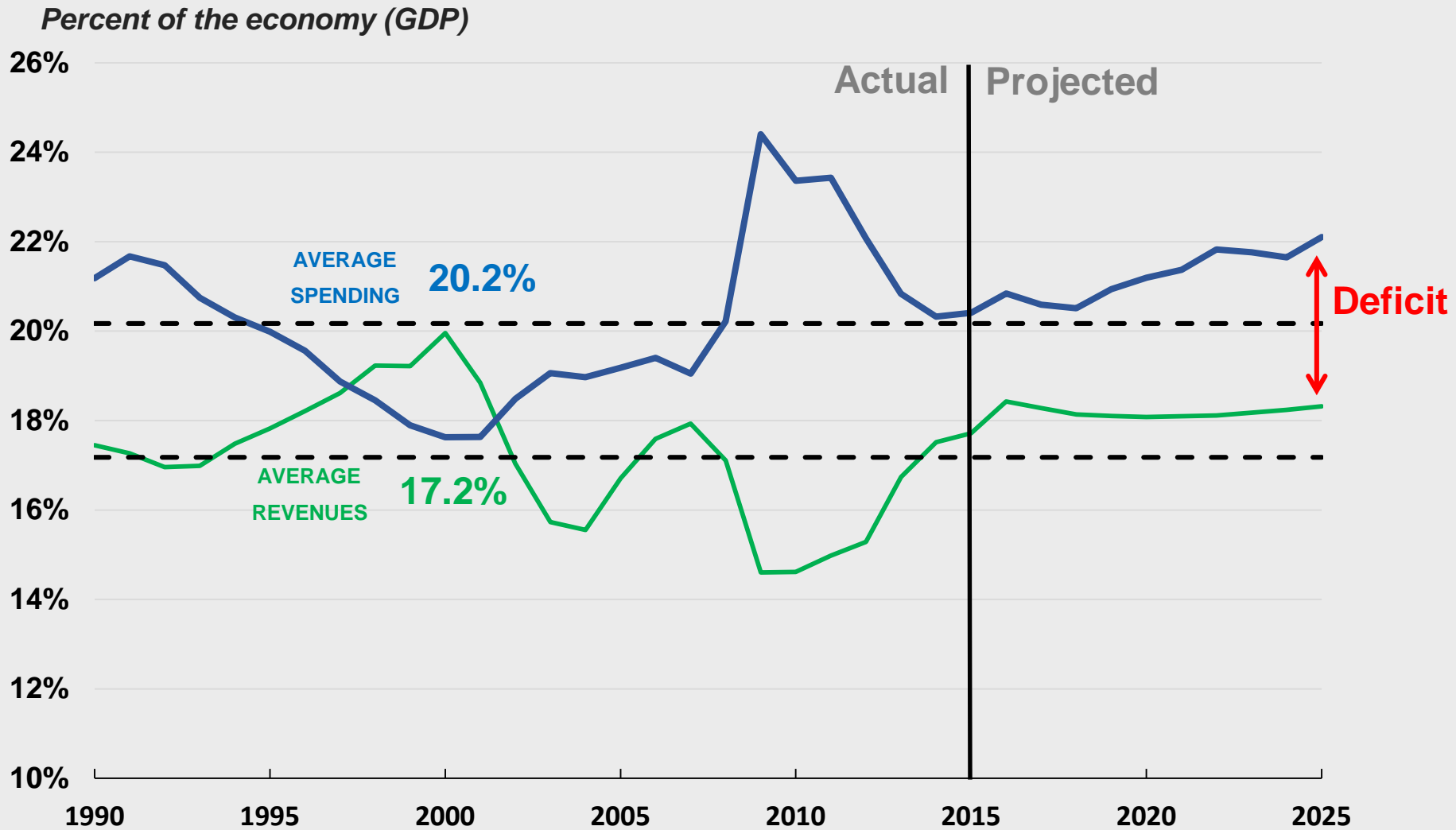
Who Pays Federal Taxes?



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

(Percentage of all federal taxes paid, by household income)

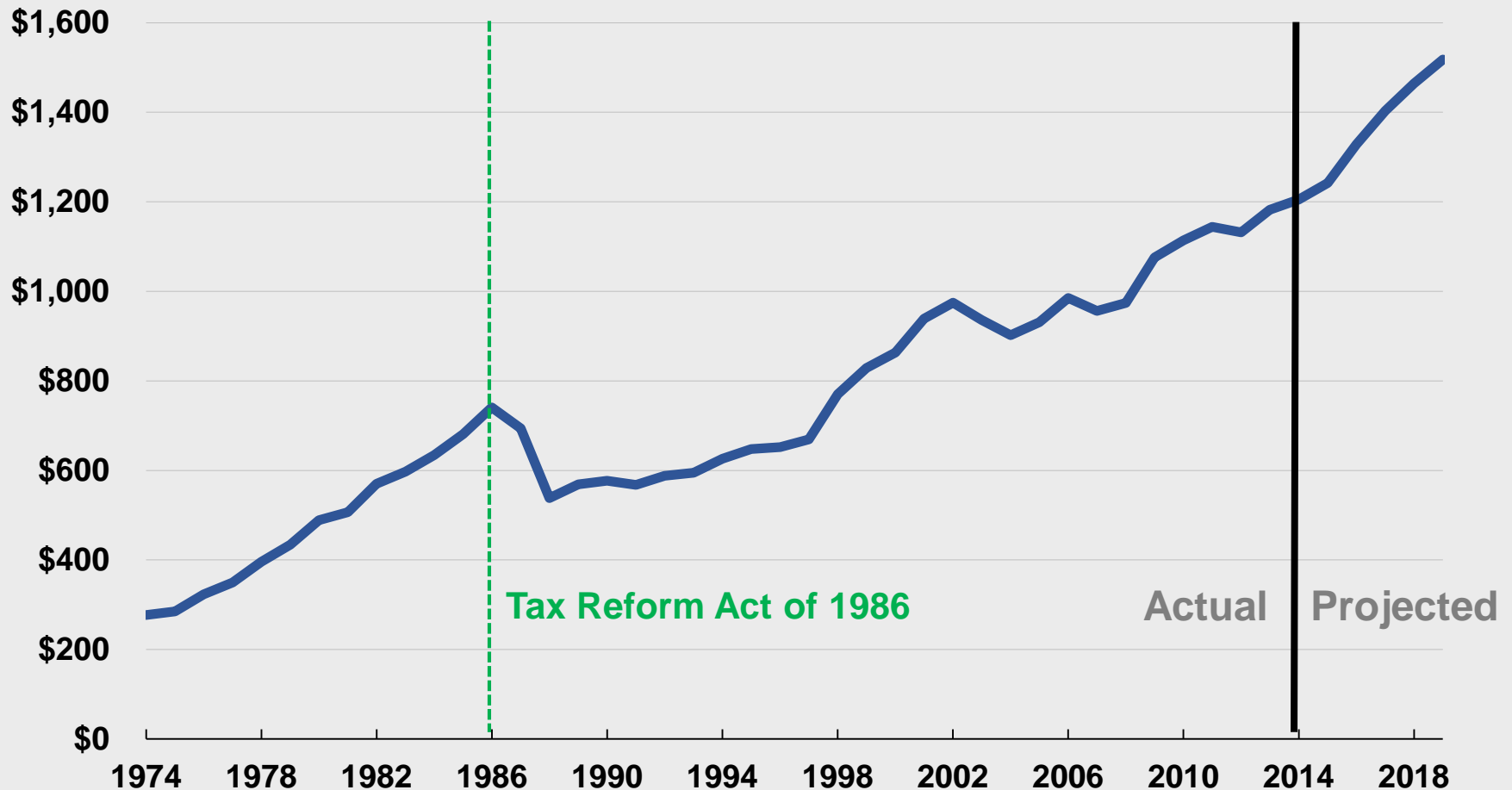
Revenues Don't Cover Spending



Tax Breaks Have Grown Over Time

There is now twice as much money in “tax expenditures” – deductions, credits, and other tax breaks – as there was after Congress last overhauled the tax code in 1986.

Inflation-adjusted dollars



Tax Reform Act of 1986

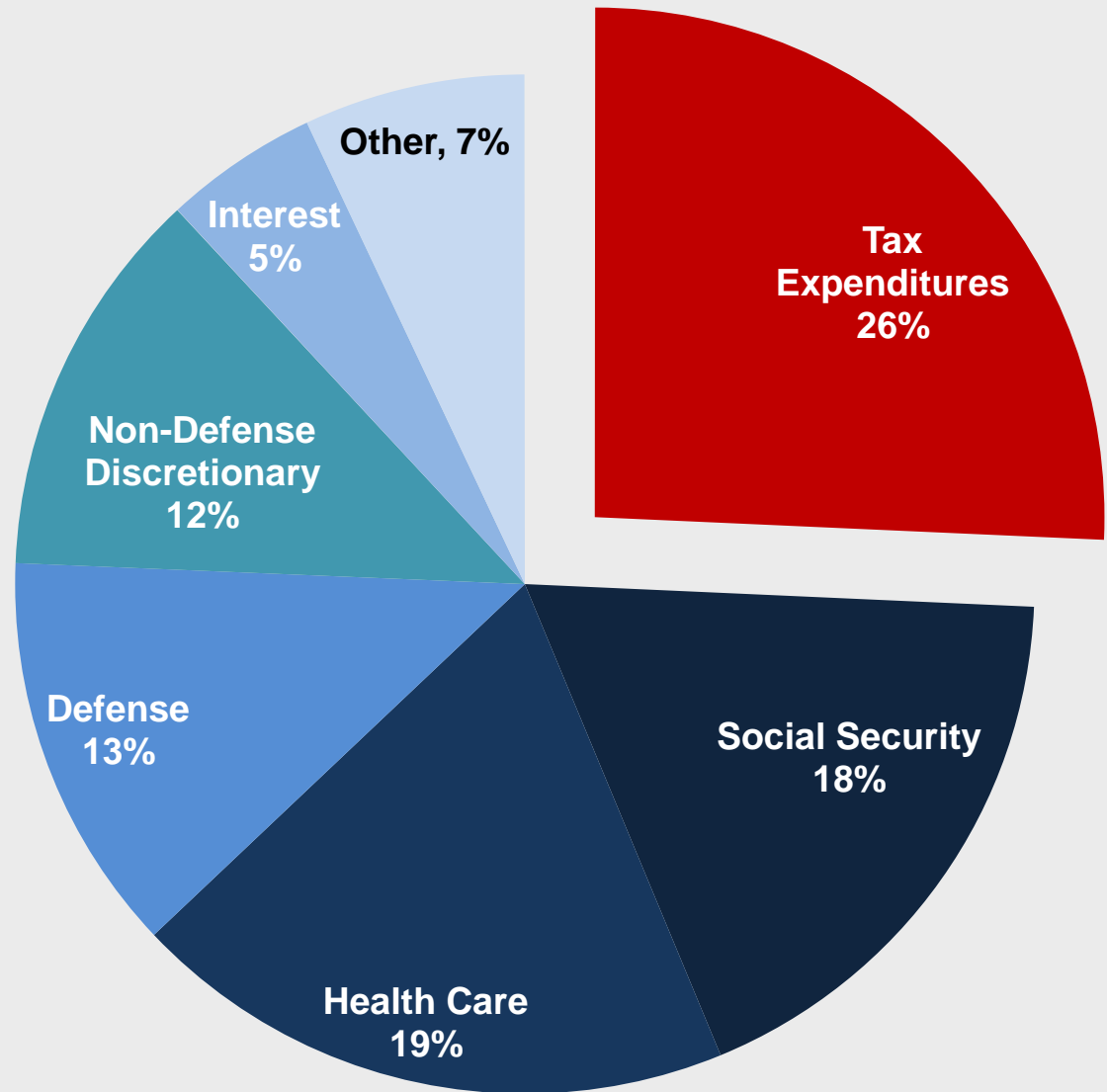
Actual

Projected

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.

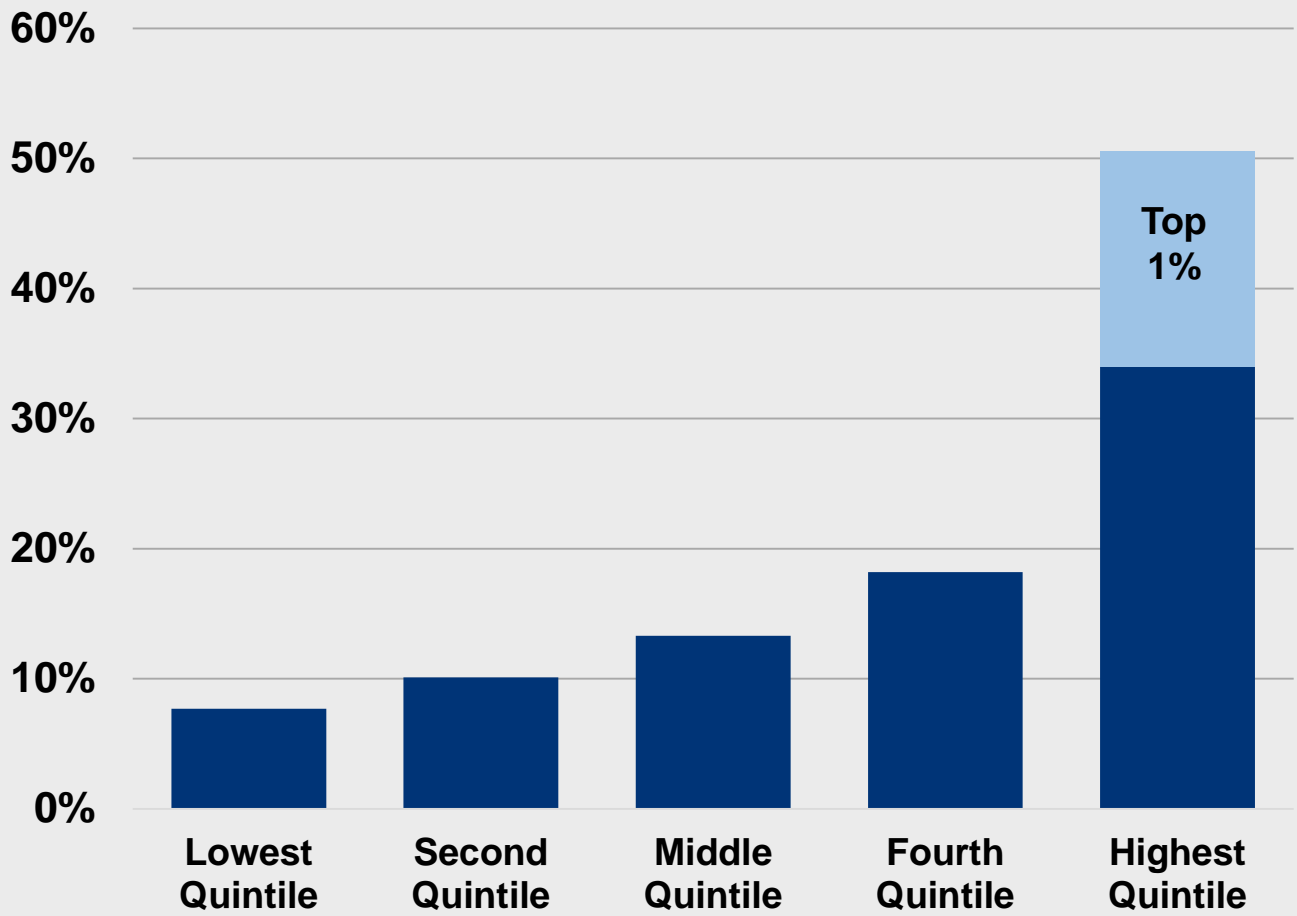
If they were counted as a normal part of the budget, tax expenditures would be over a quarter of spending.



High Earners Benefit Most From Tax Expenditures

Most tax expenditures are regressive and provide a bigger benefit to the wealthy. The top 20% receives 50% of the benefit from the largest tax expenditures.

Percent of "major" tax expenditures received

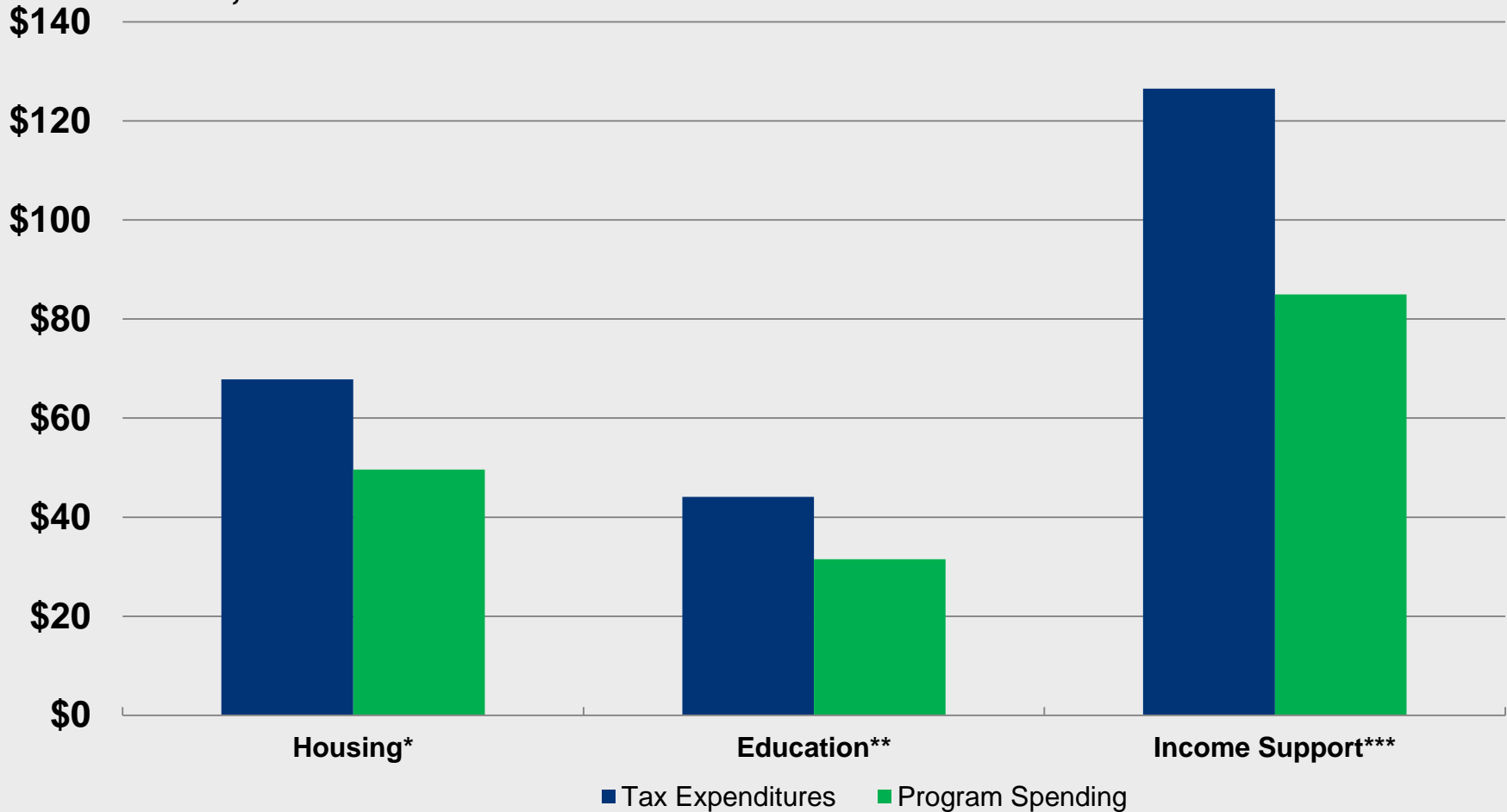


Source: Congressional Budget Office, "The Distribution of Major Tax Expenditures in the Individual Income Tax System."

Note: Graph shows ten "major" income tax expenditures as identified by Congressional Budget Office, which make up two-thirds of total tax expenditures by dollar amount.

Tax Expenditures Rival Spending Programs in Size

Billions, FY2014

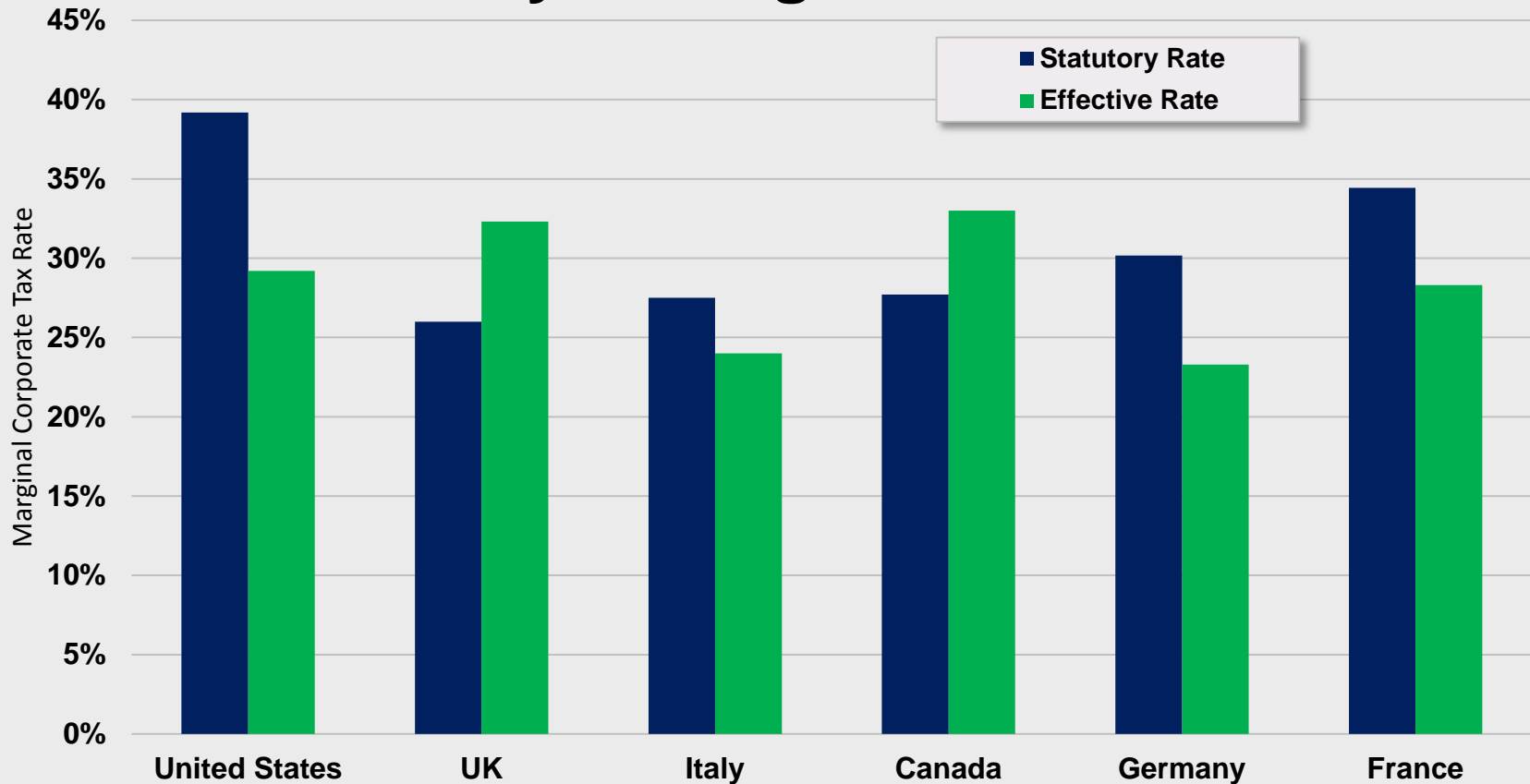


*Spending represented by HUD Budget. Source: Office of Management and Budget, President's Budget FY 2016; Joint Committee on Taxation

**Spending represented by Pell Grants. Source: Joint Committee on Taxation

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

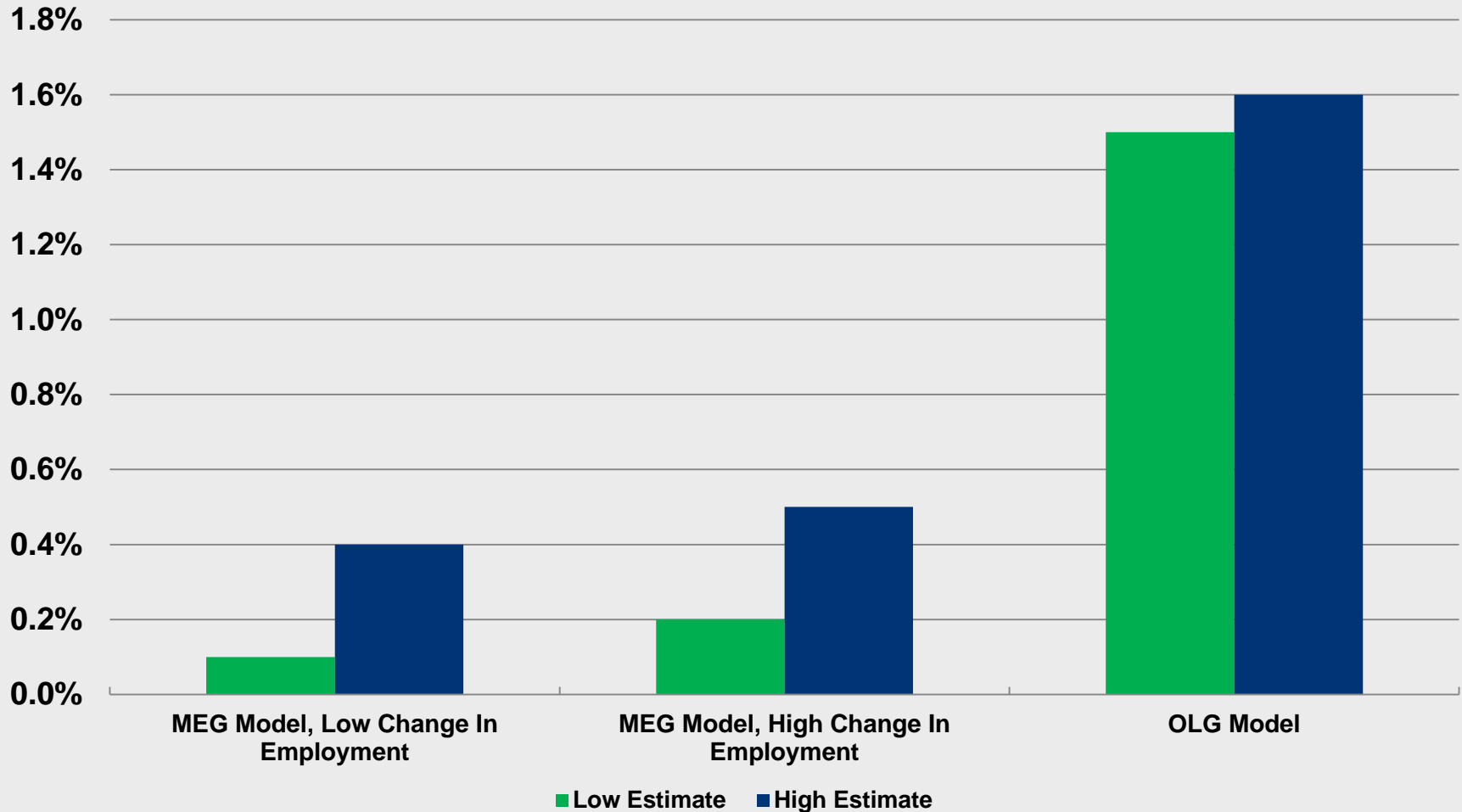
U.S. Has World's Highest Corporate Tax Rate, but Only Average Collection



The official U.S. corporate tax rate is the highest in the developed world, but the average rate paid after deductions and credits is more typical.

Tax Reform Promotes Economic Growth

The Tax Reform Act of 2014 would have increased the size of the economy by between 0.1 percent and 1.6 percent by 2023.



Where Tax Dollars Went In 2014

Share of Each \$100 Paid in Taxes	
Social Security	\$24.11
Health	\$23.72
<i>Medicare</i>	\$14.42
<i>Medicaid</i>	\$8.60
<i>Other Health</i>	\$0.69
Defense and Military Benefits	\$21.49
Interest	\$6.54
Civilian Federal Retirement	\$2.86
Transportation	\$2.62
Refundable Credits	\$2.45
Food Stamps	\$2.18
Education	\$1.84
Supplemental Security Income	\$1.54
Justice	\$1.44
Housing Assistance	\$1.36
Unemployment Insurance	\$1.26
Natural Resource Protection	\$1.03
Foreign Aid	\$1.00
Agriculture	\$0.70
Other	\$3.87
Total	\$100