

Where Tax Dollars Went In 2015

U.S. TAXPAYER RECEIPT

SHARE OF EACH \$100 PAID IN TAXES

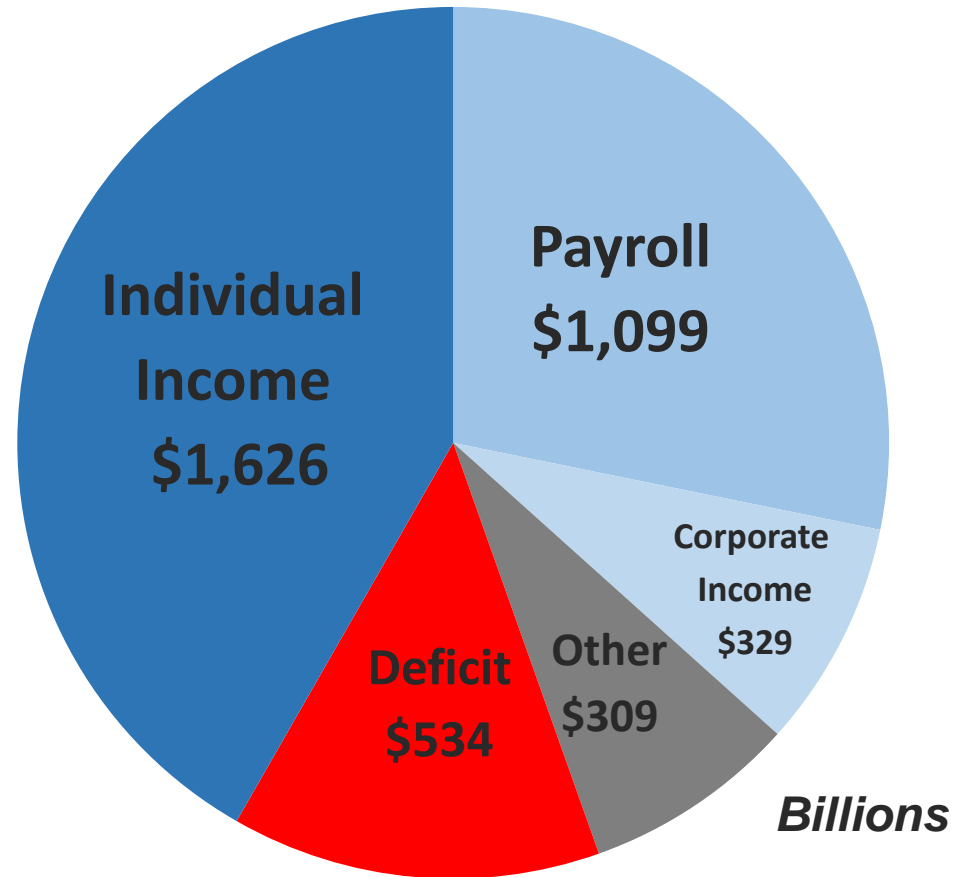
| ITEM | PRICE |
|-------------------------------|----------|
| SOCIAL SECURITY | \$23.91 |
| HEALTH | \$25.39 |
| MEDICARE | \$14.64 |
| MEDICAID | \$9.48 |
| OTHER HEALTH | \$1.27 |
| DEFENSE AND MILITARY BENEFITS | \$20.32 |
| INTEREST | \$6.05 |
| CIVILIAN FEDERAL RETIREMENT | \$2.64 |
| TRANSPORTATION | \$2.43 |
| REFUNDABLE CREDITS | \$2.30 |
| FOOD STAMPS | \$2.06 |
| EDUCATION | \$2.57 |
| SUPPLEMENTAL SECURITY INCOME | \$1.48 |
| JUSTICE | \$1.41 |
| HOUSING ASSISTANCE | \$1.30 |
| UNEMPLOYMENT INSURANCE | \$0.86 |
| NATURAL RESOURCE PROTECTION | \$0.98 |
| FOREIGN AID | \$1.00 |
| CHILD NUTRITION | \$0.59 |
| OTHER | \$4.71 |
| TOTAL | \$100.00 |

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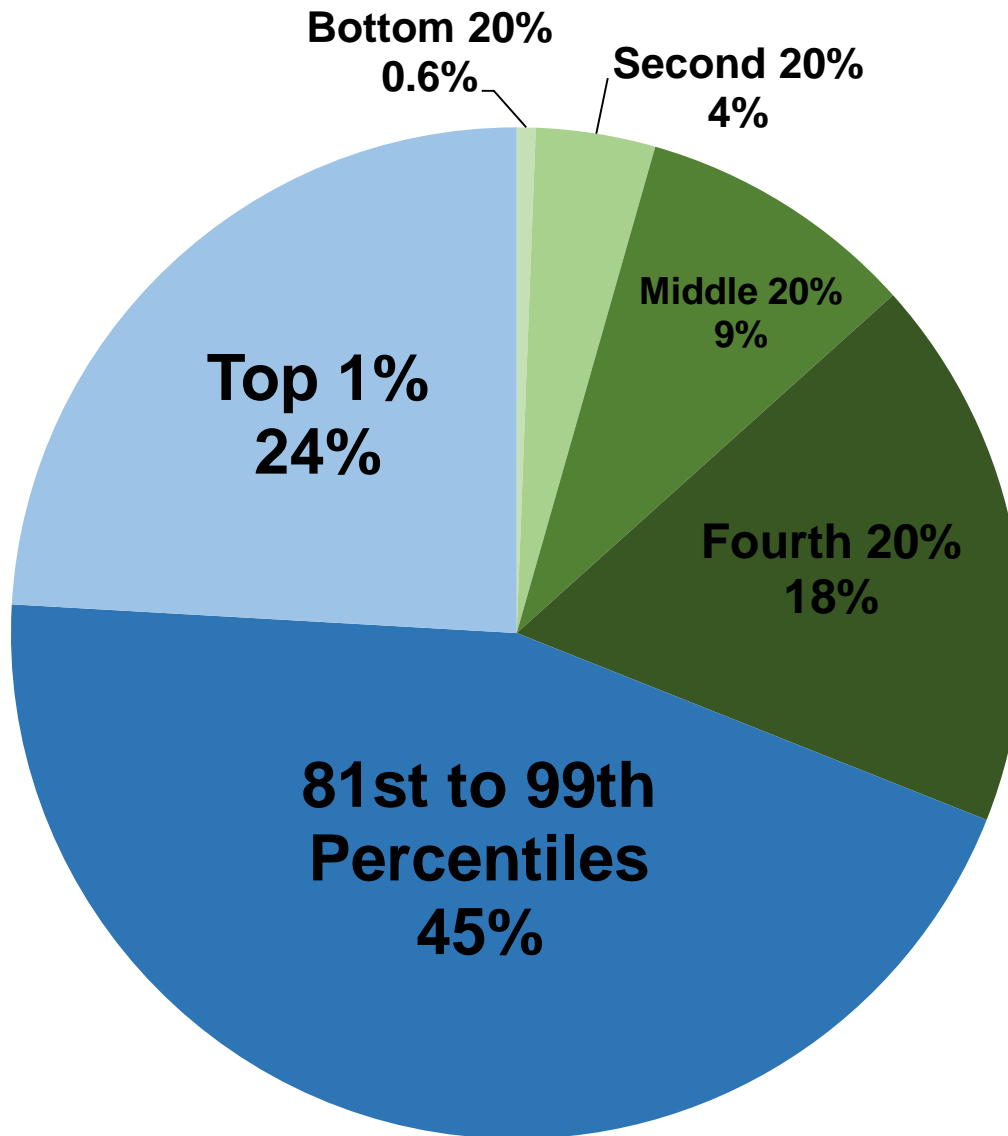
Where Does The Federal Government's Money Come From?

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

In 2016, one-seventh of the government's spending will be financed by deficits.



Who Pays Federal Taxes?

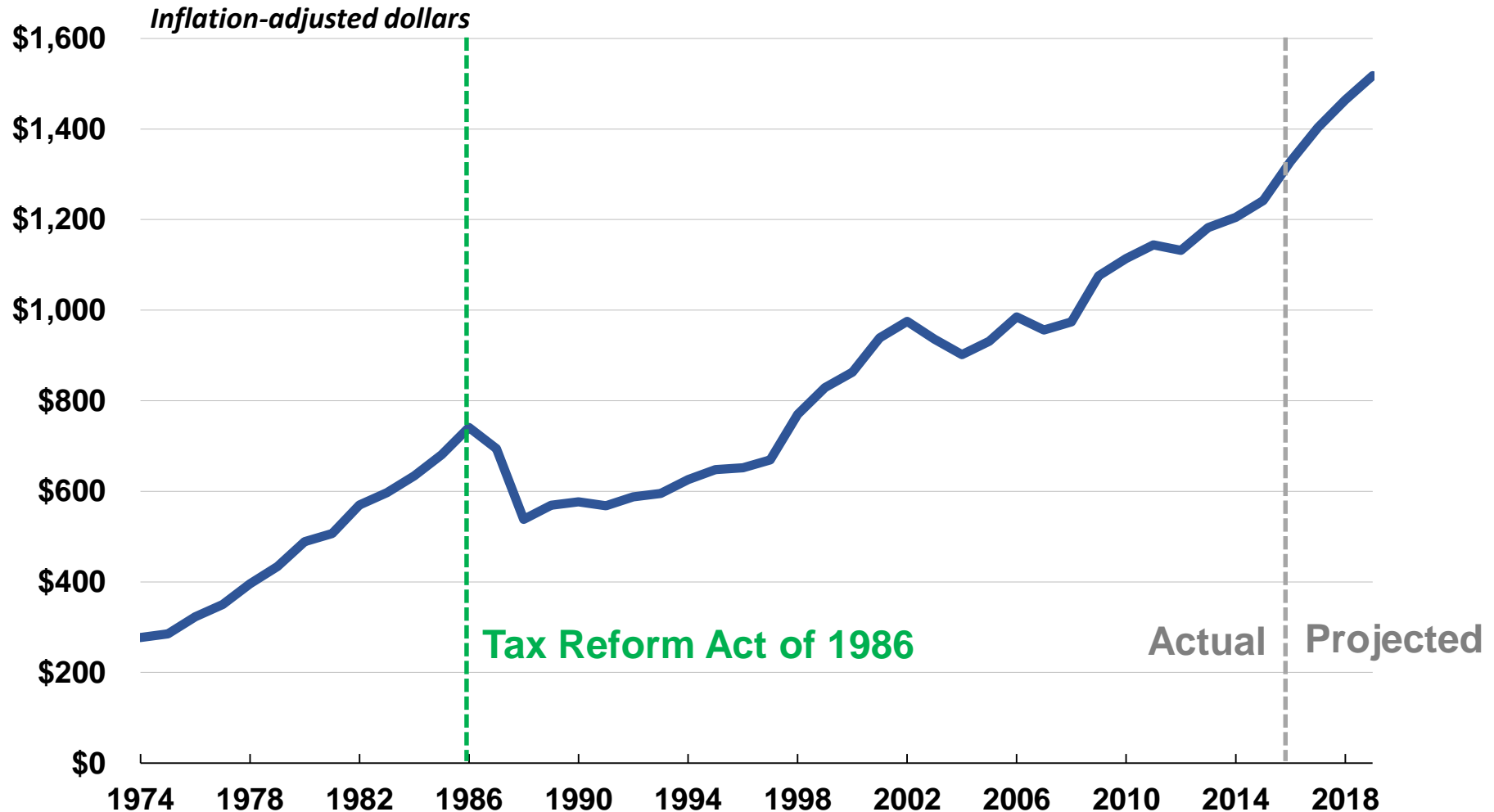


The top 20% of households pay almost 70% of the nation's taxes. The top 1% is responsible for paying nearly a quarter.

Percentage of all federal taxes paid, by household income

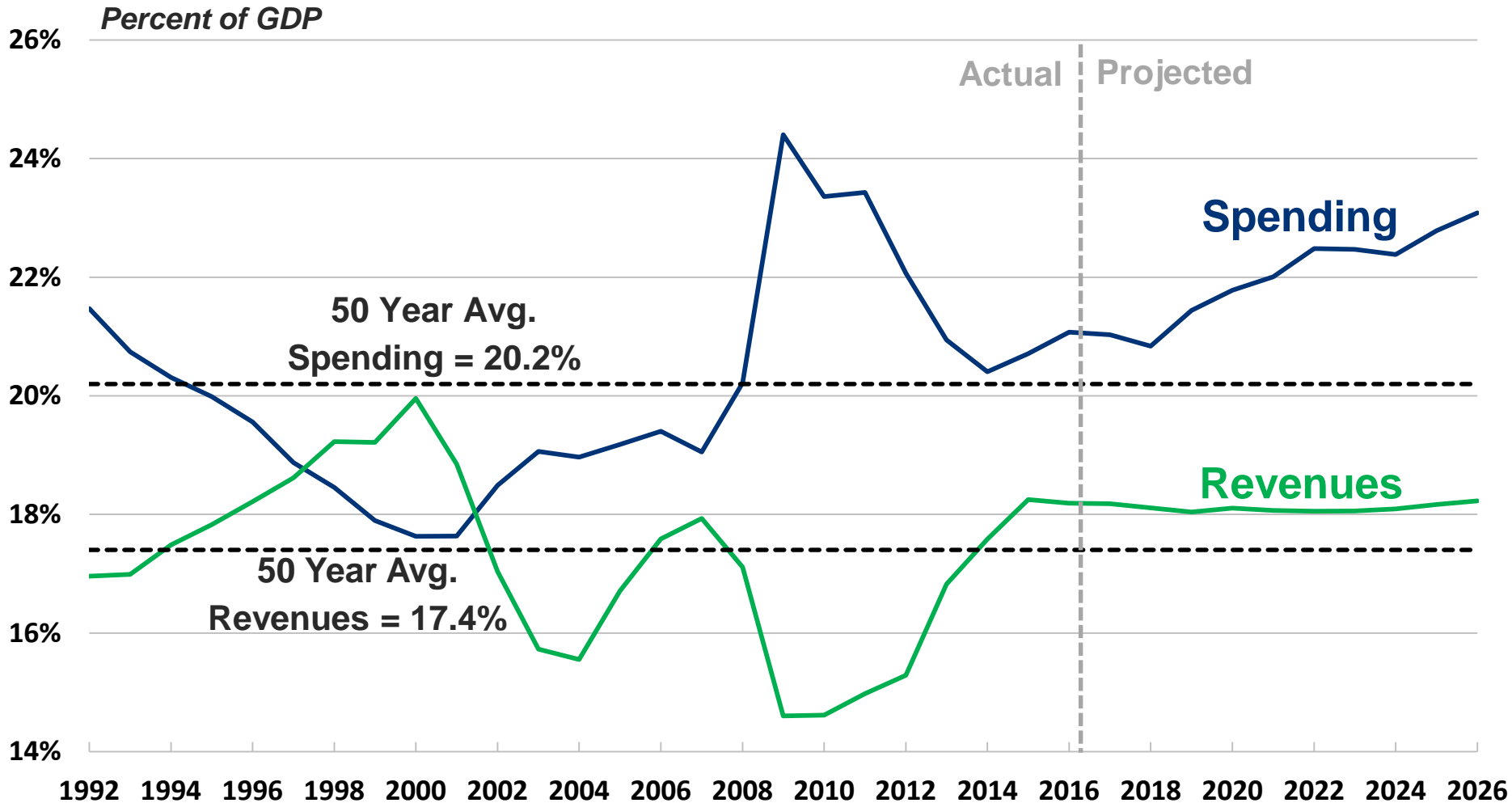
Tax Breaks Have Grown Over Time

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.



Source: U.S. Department of the Treasury, compiled by the National Priorities Project.

Revenues Don't Cover Spending

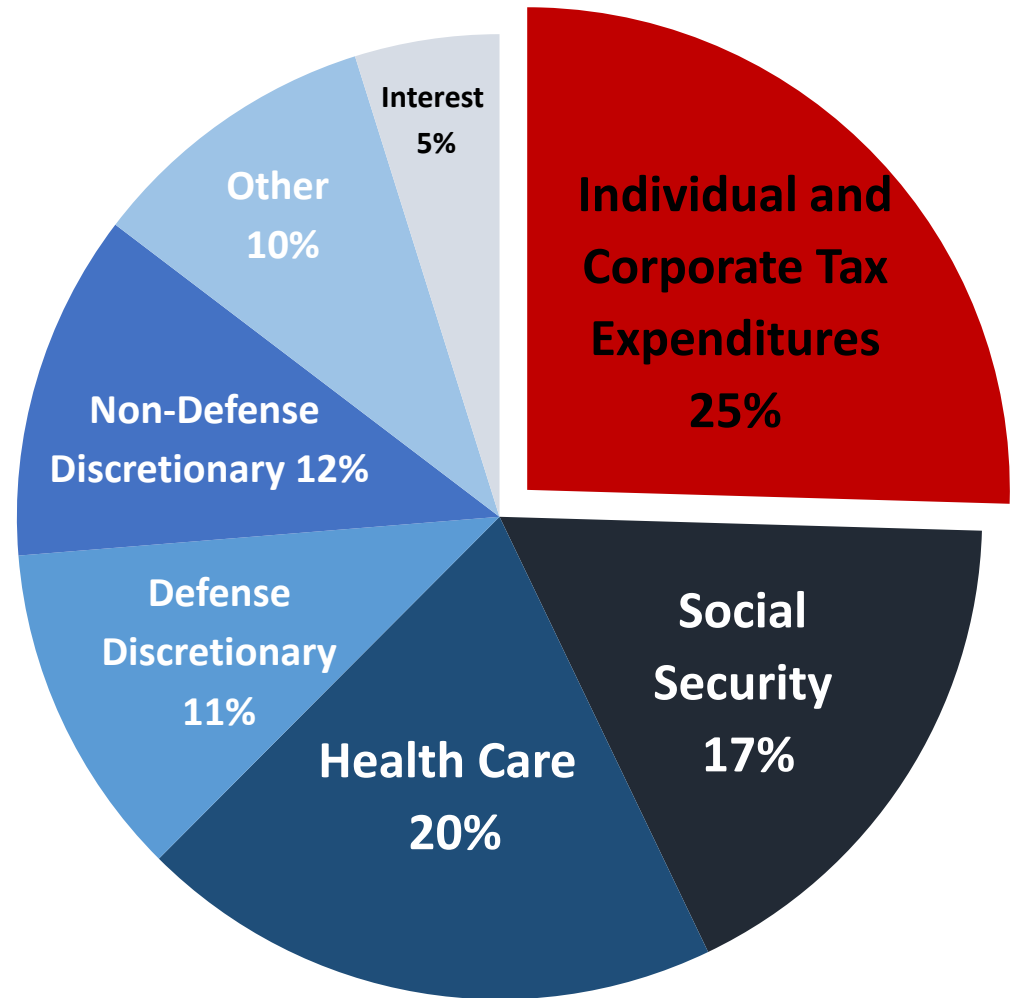


Source: Congressional Budget Office, March 2016 budget projections.

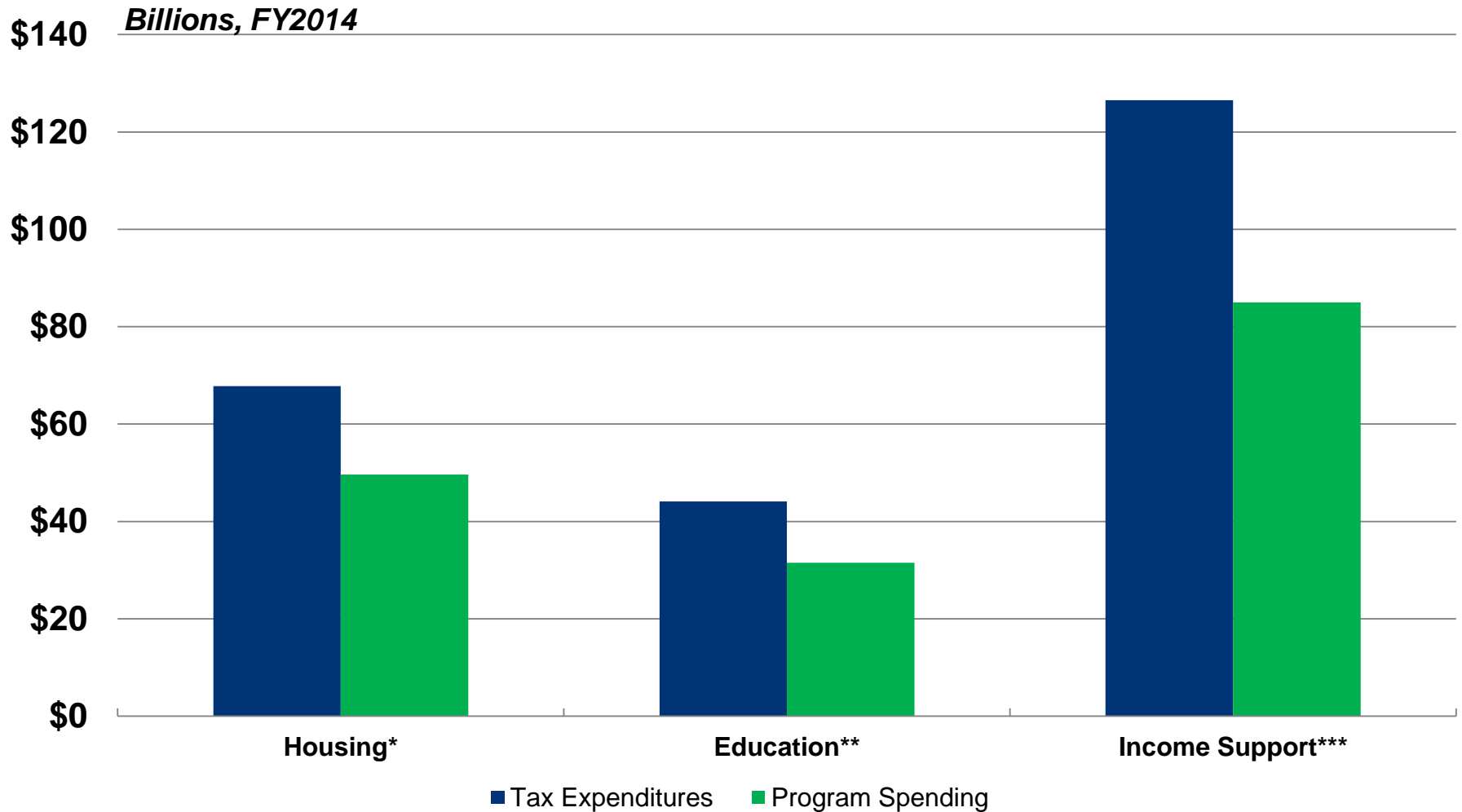
Tax Expenditures: Another Kind of Spending

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 a quarter of spending.



Tax Expenditures Rival Spending Programs in Size



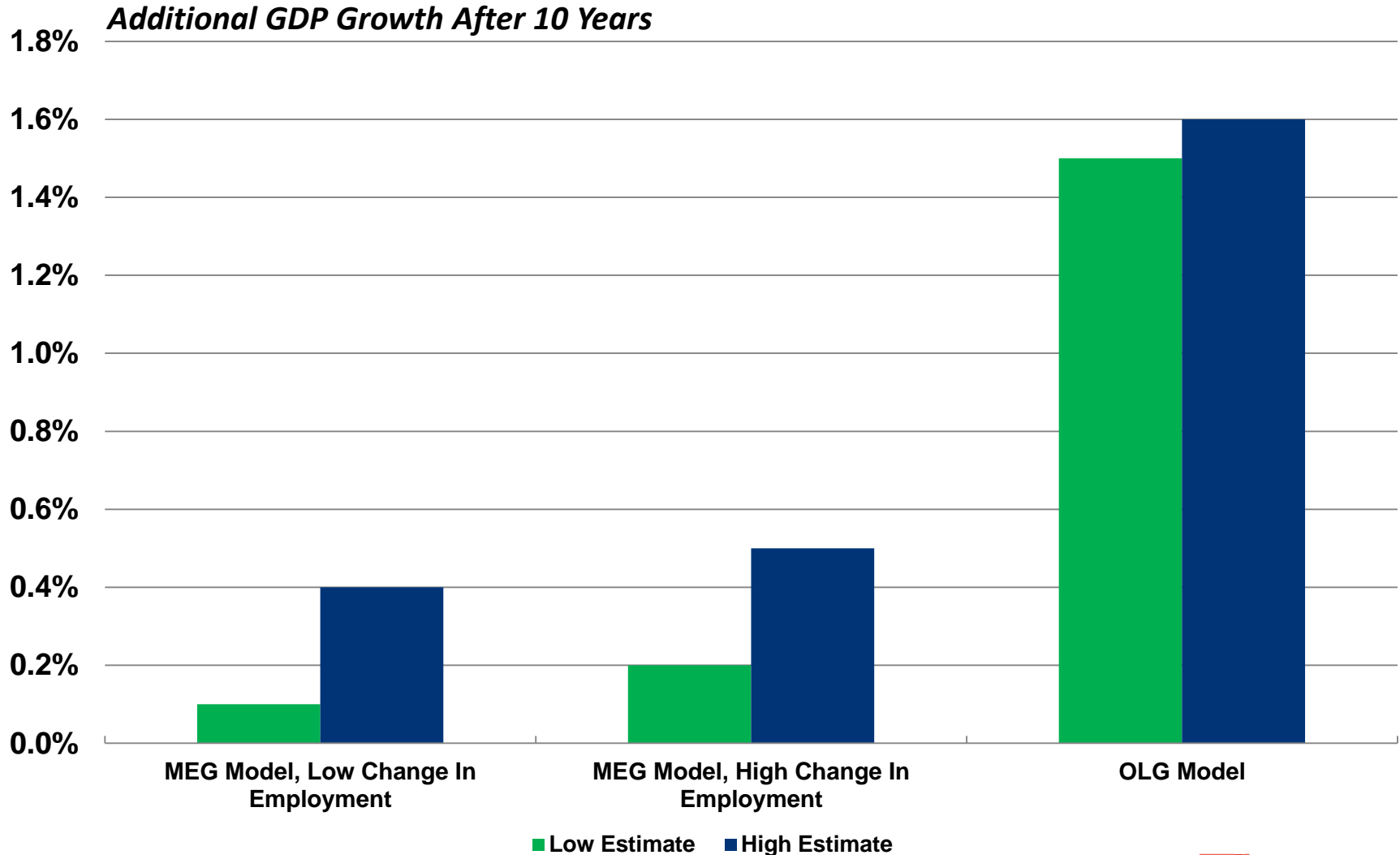
*Spending represented by HUD Budget. Source: Office of Management and Budget, President's Budget FY 2016; Joint Committee on Taxation

**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

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.



Source: Joint Committee on Taxation