

SUMMARY TABLES

Table S-1. Budget Totals
(Dollar amounts in billions)

	2002	2003	2004	2005	2006	2007	2008
In billions of dollars:							
Receipts	1,853	1,836	1,922	2,135	2,263	2,398	2,521
Outlays	2,011	2,140	2,229	2,343	2,464	2,576	2,711
Deficit	-158	-304	-307	-208	-201	-178	-190
Debt held by the public	3,540	3,878	4,166	4,387	4,603	4,797	5,003
As a percent of GDP:							
Receipts	17.9	17.1	17.0	18.0	18.1	18.3	18.3
Outlays	19.5	19.9	19.7	19.7	19.7	19.7	19.7
Deficit	-1.5	-2.8	-2.7	-1.8	-1.6	-1.4	-1.4
Debt held by the public	34.3	36.1	36.9	36.9	36.9	36.6	36.4

Table S-2. Budget Summary by Category
(In billions of dollars)

	2002	2003	2004	2005	2006	2007	2008	Total 2004-2008
Outlays:								
Discretionary:								
Defense (050).....	349	376	390	410	423	436	460	2,119
Nondefense	385	416	429	440	447	455	466	2,237
Total, Discretionary	734	791	819	850	870	891	926	4,356
Mandatory:								
Social Security	452	474	493	512	533	559	587	2,684
Medicare.....	228	241	255	272	301	323	345	1,497
Medicaid and SCHIP.....	151	167	185	199	217	234	254	1,089
Other	274	305	301	307	319	329	344	1,599
Total, Mandatory	1,106	1,188	1,234	1,289	1,369	1,445	1,531	6,868
Net interest.....	171	161	176	204	225	240	254	1,099
Total Outlays.....	2,011	2,140	2,229	2,343	2,464	2,576	2,711	12,323
Receipts.....	1,853	1,836	1,922	2,135	2,263	2,398	2,521	11,239
Deficit.....	-158	-304	-307	-208	-201	-178	-190	-1,084
On-budget deficit.....	-317	-468	-482	-407	-412	-406	-433	-2,140
Off-budget surplus	160	163	175	199	211	228	243	1,056

Table S-3. Impact of Budget Policy
(In billions of dollars)

	2003	2004	2005	2006	2007	2008	Total 2004-2008
Current baseline surplus/deficit	-264	-158	-40	5	29	51	-114
Budget proposals:							
Economic growth package	-33	-114	-88	-69	-56	-54	-380
Defense and homeland security	-3	-12	-22	-28	-31	-45	-138
Strengthening Medicare	—	-6	-10	-33	-38	-43	-130
Aid to education	-*	-1	-6	-10	-11	-11	-39
Incentives for charitable giving	-*	-2	-2	-2	-2	-2	-9
Health tax credits	—	-1	-7	-12	-13	-15	-48
Extension of expiring tax provisions	-1	-5	-14	-18	-7	-8	-53
Other proposals	-3	-5	-8	-14	-20	-22	-68
Related debt service	-*	-4	-11	-20	-30	-40	-105
Subtotal, budget proposals	-40	-149	-168	-205	-207	-241	-970
Budget deficit	-304	-307	-208	-201	-178	-190	-1,084

* \$500 million or less.

Table S-4. Discretionary Totals
(Budget authority; dollar amounts in billions)

	2002 Enacted	Estimate		2003-2004 Change	
		2003	2004	Dollar	Percent
Discretionary budget authority:					
Homeland security (non-Defense)	13	27	28	1	¹ 5.5%
Department of Defense	328	365	380	15	4.2%
Other operations of government	350	360	374	14	3.8%
Total, Discretionary budget authority	691	752	782	30	4.0%
		Estimate		2004-2005 Change	
		2004	2005	Dollar	Percent
Total, Discretionary budget authority	782	813	31	4.0%	

Assumptions:

- All totals include mass transit budget authority.
- 2002: \$686 billion enacted discretionary funding adjusted for technical re-estimates. In addition, \$44 billion was provided in supplemental acts, \$29 billion for recurring purposes.
- 2003: Presidentially approved spending level: House passed budget resolution, adjusted for mass transit.

¹ Discretionary homeland security only. Including mandatory and fee funded costs, homeland security grows 7.6 percent.

Table S-5. Homeland Security Funding by Agency
(Budget authority in millions of dollars)

	2002		Estimate	
	Enacted	Supplemental	2003	2004
Non-Defense Homeland Security Funding:				
Department of Agriculture.....	230	322	396	390
Department of Commerce	99	19	133	153
Department of Energy.....	1,067	153	1,164	1,361
Department of Health and Human Services	433	1,480	3,987	3,776
Department of Homeland Security.....	11,398	5,982	22,035	23,890
Department of Justice.....	1,019	1,125	1,947	2,290
Department of State.....	438	39	658	811
Department of the Treasury	84	32	80	91
Department of Transportation	635	785	258	284
Department of Veterans Affairs.....	47	2	132	145
Corps of Engineers	—	139	65	104
Environmental Protection Agency.....	13	174	134	124
Social Security Administration	113	8	132	147
National Aeronautics and Space Administration.....	114	109	164	170
National Science Foundation	240	19	264	307
Postal Service	—	587	—	—
Other Agencies	267	556	623	590
Total, Non-Defense Homeland Security Funding	16,197	11,531	32,172	34,633
Department of Defense—Military.....	4,423	733	8,863	16,714
Total, Homeland Security Funding, including Defense.....	20,620	12,264	41,035	41,347
Total, Homeland Security Funding, including Defense	20,620	12,264	41,035	41,347
Less Mandatory Homeland Security Funding ²	-1,656	—	-2,006	-2,897
Less Discretionary Fee-Funded Activities ³	-1,828	—	-3,406	-3,497
Less Department of Defense—Military	-4,423	-733	-8,863	-6,714
Net Non-Defense Discretionary Homeland Security Budget Authority	12,713	11,531	26,760	28,239

¹ Defense homeland security funding falls in 2004 due to one-time force protection investments in 2003.

² Mandatory homeland security programs include Agricultural Quarantine and Inspections, Border Protection, and Immigration Enforcement.

³ Discretionary fee-funded homeland security programs include Visa Processing, Airport Security, and Social Security physical and computer security measures.

Table S-6. Percentage Year-to-Year Growth in Discretionary Budget Authority

Agency	1998 to 1999	1999 to 2000	2000 to 2001	2001 to 2002	2002 to 2003	2003 to 2004	Average Growth 1998-2004
Agriculture	4	4	13	3	-2	*	4
Commerce	29	61	-41	6	-5	5	4
Defense	6	5	5	8	11	4	7
Education.....	-3	2	37	21	4	6	10
Energy	7	-1	13	4	5	6	6
Health and Human Services.....	12	9	19	10	9	3	10
Housing and Urban Development.....	12	-6	34	4	5	1	8
Interior	-1	6	21	2	-2	3	5
State and International Assistance Programs	23	2	-4	6	7	12	7
Labor	3	-20	36	2	-4	-1	1
Veterans Affairs	2	9	7	6	6	11	7
Corps of Engineers.....	-2	1	14	-4	-10	1	*
Environmental Protection Agency Operating Program	5	1	9	1	2	7	4
National Aeronautics and Space Administration	*	*	5	4	1	3	2
National Science Foundation.....	7	6	13	8	5	9	8
Small Business Administration	16	7	1	-15	2	2	2
Social Security Administration	*	2	8	6	5	9	5
Homeland Security Agencies (see below).....	1	6	14	7	11	3	7
Other Agencies.....	5	-3	*	-14	14	7	1
Total (excluding emergency response funding)	6	4	10	8	9	4	7
Total (including emergency response funding)	6	4	13	11	2	4	7
Agencies principally affected by creation of the Department of Homeland Security ¹:							Average Growth 2002 to 2004
Department of Homeland Security					62	5	31
Justice ²	5	2	13	-12	-1	-3	-2
Transportation ²	-14	13	28	-30	*	6	3
Treasury ²	12	-2	16	-27	5	4	4
Federal Emergency Management Agency ²	18	37	-38	26			

* 0.5 percent or less.

¹ For agencies in the box, the comparable amounts back to 1998 are not available as of the printing of this budget. These agencies are shown as transferred to the Department of Homeland Security from 2002 to 2004 for comparability.² Growth rates shown for 1998 to 2001 reflect the old structure.

Table S-7. Discretionary Budget Authority by Agency
(Dollars in billions)

Agency	2002 Actual	Estimate		Change: 2003-2004
		2003	2004	
Agriculture	20.0	19.5	19.5	*
Commerce	5.4	5.1	5.4	0.3
Defense	327.8	364.6	379.9	15.3
Education.....	48.5	50.3	53.1	2.8
Energy	20.9	22.1	23.4	1.3
Health and Human Services.....	59.5	64.6	66.2	1.6
Homeland Security	15.7	25.4	26.7	1.3
Housing and Urban Development.....	29.4	30.9	31.3	0.4
Interior	10.5	10.2	10.6	0.4
State and International Assistance Programs	23.0	24.5	27.4	2.9
Justice	18.6	18.3	17.7	-0.6
Labor	12.1	11.6	11.5	-0.1
Transportation.....	12.9	12.9	13.7	0.8
Treasury.....	10.5	11.0	11.4	0.4
Veterans Affairs	23.8	25.4	28.1	2.7
Corps of Engineers.....	4.5	4.0	4.0	*
Environmental Protection Agency	7.9	7.6	7.6	*
<i>Environmental Protection Agency Operating Program</i>	3.9	4.0	4.3	0.3
National Aeronautics and Space Administration	14.8	15.0	15.5	0.5
National Science Foundation.....	4.8	5.0	5.5	0.5
Small Business Administration	0.8	0.8	0.8	*
Social Security Administration.....	6.4	6.7	7.3	0.6
Other Agencies.....	13.2	15.1	16.1	1.1
Allowances ¹	—	1.1	-0.5	-1.7
Total, excluding emergency response funding.....	690.9	751.8	782.2	30.4
Emergency response funding.....	43.8	*	*	*
Total, including emergency response funding.....	734.7	751.8	782.2	30.4

* \$50 million or less.

¹ Adjusted in 2003 for the Presidentially approved spending level (the House-passed budget resolution, adjusted for mass transit) and includes a \$1.3 billion adjustment for the reclassification of the Crime Victims fund as mandatory.

Table S–8. Discretionary Proposals By Appropriations Subcommittee
(Budget authority in billions of dollars)

Appropriations Subcommittee	2002 Enacted	2003 Estimate	2004 Estimate	Change: 2003-2004
Agriculture and Rural Development.....	16.9	17.0	16.9	-0.1
Commerce, Justice, State, and the Judiciary	37.5	38.0	38.6	0.6
Defense	317.3	354.3	371.0	16.7
District of Columbia	0.3	0.2	0.3	*
Energy and Water Development.....	24.8	25.4	26.8	1.4
Foreign Operations.....	15.1	16.5	18.8	2.3
Interior and Related Agencies	19.5	19.1	19.7	0.5
Labor, Health and Human Services, and Education.....	123.7	130.2	135.1	4.9
Legislative.....	3.0	3.4	3.8	0.3
Military Construction.....	10.6	10.5	9.0	-1.5
Transportation and Related Agencies	12.8	12.8	13.5	0.7
Treasury and General Government	12.1	12.8	13.5	0.7
Veterans Affairs, Housing and Urban Development	81.6	85.1	89.1	4.0
Allowances ¹	—	1.1	-0.5	-1.7
Department of Homeland Security	15.7	25.4	26.7	1.3
Total, excluding emergency response funding.....	690.9	751.8	782.2	30.4
Emergency response funding.....	43.8	—	—	—

* \$50 million or less.

¹ Adjusted in 2003 for the Presidentially approved spending level (the House-passed budget resolution, adjusted for mass transit) and includes a \$1.3 billion adjustment for the reclassification of the Crime Victims fund as mandatory.

Table S-9. Mandatory Proposals
(In millions of dollars)

	2003	2004	2005	2006	2007	2008	Total	
							2004-2008	2004-2013
Medicare Modernization	—	6,000	10,000	33,000	38,000	43,000	130,000	400,000
Economic Growth Plan: ¹								
Personal Re-employment Accounts.....	1,600	2,000	—	—	—	—	2,000	2,000
Refundable Child Tax Credit	300	1,074	4,783	4,272	4,195	4,142	18,466	25,239
Subtotal, Economic Growth Package	1,900	3,074	4,783	4,272	4,195	4,142	20,466	27,239
Medicaid/State Children's Health Insurance Program (SCHIP):								
Medicaid/SCHIP Reform.....	—	3,258	1,053	1,664	1,213	1,756	8,944	-66
Disability/New Freedom Initiatives	—	180	184	197	212	221	993	1,338
Medicaid Rebate Reform	—	-384	-432	-481	-531	-581	-2,409	-6,421
Other Medicaid Proposals.....	225	359	579	426	437	457	2,257	2,687
Subtotal, Medicaid/SCHIP.....	225	3,412	1,384	1,805	1,330	1,854	9,786	-2,462
Welfare Reform:								
Temporary Assistance for Needy Families Reauthorization...	-4	147	310	334	325	324	1,441	3,069
Child Support Enforcement: Increase Collections and Improve Program Effectiveness.....	—	-61	-47	10	51	48	2	221
Child Welfare Program Option	—	31	88	127	-13	-205	28	40
Extend Abstinence Education	7	37	42	47	50	36	212	218
Subtotal, Welfare Reform	3	154	393	519	413	204	1,683	3,548
Other Proposals:								
Agriculture:								
Limit Conservation Security Program.....	—	—	-215	-332	-447	-603	-1,597	-5,200
Forest Service Recreation Fee Proposal	—	—	-17	-12	-7	-2	-38	22
School Lunch: Require Third-Party Verification of Income and Reinvest Program Savings	—	—	—	—	—	—	—	—
Subtotal, Agriculture	—	—	-232	-344	-454	-605	-1,635	-5,178
Education:								
Teacher Loan Forgiveness	—	178	47	50	54	55	384	696

Table S-9. Mandatory Proposals—Continued
(In millions of dollars)

	2003	2004	2005	2006	2007	2008	Total	
							2004-2008	2004-2013
Energy:								
Power Marketing Associations to Directly Fund Corps of Engineers' Operation and Maintenance Expenses.....	149	145	148	151	154	158	756	1,603
Increase BPA's Borrowing Authority	—	—	85	430	185	—	700	700
Arctic National Wildlife Refuge (ANWR), Lease Bonuses..	—	—	-1,200	—	—	—	-1,200	-1,200
Subtotal, Energy	149	145	-967	581	339	158	256	1,103
Homeland Security:								
Extend Customs User Fees	—	-1,398	-1,490	-1,588	-1,692	-1,804	-7,972	-18,939
Vaccine Biodefense	—	575	840	790	635	578	3,418	5,593
Subtotal, Homeland Security	—	-823	-650	-798	-1,057	-1,226	-4,554	-13,346
Interior:								
ANWR, Lease Bonuses:								
State of Alaska's share:								
Receipts	—	—	-1,201	-1	-101	-1	-1,304	-1,588
Expenditure	—	—	1,201	1	101	1	1,304	1,588
Federal share.....	—	—	-1	-1	-101	-1	-104	-388
Compacts of Free Association - financial assistance	—	19	20	21	22	23	105	235
Permanent Recreation Fee Authority	—	—	-13	12	49	88	136	587
Correct trust accounting deficiencies in individual Indian money investments	7	—	—	—	—	—	—	—
Increase Indian Gaming Commission Fees ¹	—	—	3	4	4	5	16	41
Bureau of Land Management Land Sale Authority:								
Receipts.....	—	-10	-25	-34	-42	-50	-161	-444
Expenditure.....	—	—	—	10	25	34	69	337
Subtotal, Interior.....	7	9	-16	12	-43	99	61	368
Labor:								
Reform Unemployment Insurance Administration	—	—	—	—	718	1,712	2,430	17,336
Reform Federal Employees Compensation Act (FECA)	—	-10	-17	-16	-9	-8	-60	-130
Refinance Black Lung Disability Trust Fund Debt:								
Black Lung Disability Trust Fund.....	—	1,851	-444	-433	-429	-423	122	-1,913
Interest Receipts on Repayable Advances	—	-1,851	444	433	429	423	-122	1,913
Subtotal, Labor.....	—	-10	-17	-16	709	1,704	2,370	17,206
Transportation:								
Federal-aid Highway Program: Increase Emergency Relief.....	—	27	68	84	94	100	373	873

Table S-9. Mandatory Proposals—Continued
(In millions of dollars)

	2003	2004	2005	2006	2007	2008	Total	
							2004-2008	2004-2013
Treasury:								
Pay financial institutions for their services in lieu of providing compensating balances:								
Financial Agent Reimbursement Fund	—	386	396	400	408	416	2,006	4,169
Interest on Treasury Debt Securities	—	-386	-638	-540	-539	-540	-2,643	-5,321
Subtotal, compensating balances	—	—	-242	-140	-131	-124	-637	-1,152
Internal Revenue Service Collection Contractor Support...	—	2	96	146	146	146	536	1,266
Move Asset Forfeiture Fund to the Department of Justice:								
Treasury Asset Forfeiture Fund	—	-221	-221	-221	-221	-221	-1,105	-2,210
Justice Asset Forfeiture Fund	—	221	221	221	221	221	1,105	2,210
Extend the Rum Carryover for Puerto Rico.....	—	57	78	19	—	—	154	154
Outlay Effects of Refundable Tax Credits: ¹								
Child Credit	—	—	—	—	—	—	—	20,781
Earned Income Tax Credit	—	—	—	—	—	—	—	3,744
Education Credit	—	213	543	714	796	886	3,152	3,626
Health Credit.....	—	—	3,546	8,166	9,251	9,827	30,790	87,608
Subtotal, refundable tax credits.....	—	213	4,089	8,880	10,047	10,713	33,942	115,759
Subtotal, Treasury	—	272	4,021	8,905	10,062	10,735	33,995	116,027
Veterans Affairs:								
Reverse Allen Case providing compensation for drug and alcohol abuse related disabilities	—	-127	-302	-392	-460	-502	-1,783	-4,559
Payment of full compensation to New Philippine Scouts and DIC survivors of Filipino veterans if they reside in the United States	—	3	4	4	4	5	19	46
Eliminate the "45 Day Rule" for Death Pension	—	1	1	1	1	1	6	13
Revision to Montgomery G.I. Bill to Provide for On-the-Job Training in Self-Employment	—	*	*	*	*	*	2	4
Retroactivity for Second Headstone or Marker Benefit	—	5	3	3	1	1	13	13
Allow states to receive a burial plot allowance for all veterans buried at no cost in state veterans cemeteries.	—	*	*	*	*	*	2	4
Alternate Beneficiary to Claim National Service Life Insurance and Veterans Special Life Insurance Policy Proceeds.....	—	—	—	6	5	4	15	17
Amend the law to provide the same extension of time for using education benefits for members of the National Guard.....	—	*	*	*	1	1	3	5

Table S-9. Mandatory Proposals—Continued
(In millions of dollars)

	2003	2004	2005	2006	2007	2008	Total	
							2004-2008	2004-2013
Move Transitional Housing Program from a mandatory loan to a discretionary grant program	—	-5	-10	-10	-10	-5	-40	-40
Subtotal, Veterans Affairs	—	-122	-303	-387	-457	-495	-1,764	-4,498
Federal Communications Commission (FCC):								
Analog Spectrum Lease Fee	—	—	—	—	-500	-500	-1,000	-2,530
Extend Spectrum Auction Authority and Authorize Other Economic Mechanisms (Fees)	—	—	-10	-25	1,950	1,900	3,815	-4,060
Subtotal, FCC	—	—	-10	-25	1,450	1,400	2,815	-6,590
Federal Deposit Insurance Corporation:								
Merge Bank Insurance Fund and Savings Association Insurance Fund	—	440	824	295	—	21	1,580	1,805
Office of Personnel Management (OPM):								
Postal Service Pension Proposal:								
On-budget	3,490	2,658	2,851	2,873	3,065	3,411	14,858	36,719
Off-budget	-3,490	-2,658	-2,851	-176	—	—	-5,685	-5,685
Simplify computation of annuities under the Civil Service Retirement Service for part-time service	—	3	8	14	20	27	72	313
Subtotal, OPM	—	3	8	2,711	3,085	3,438	9,245	31,347
Social Security Administration (SSA):								
Close Loophole that Allows Some Workers to Avoid Government Pension Offset	—	—	—	-5	-5	-10	-20	-90
Reduce Improper Payments by Requiring Reporting of Non-Social Security Covered Pension Income	—	—	—	-195	-295	-260	-750	-2,180
Compensation for 2000-01 Military Wage Credits:								
On-budget	—	628	—	—	—	—	628	628
Off-budget	—	-628	—	—	—	—	-628	-628
Supplemental Security Income Pre-Effectuation Reviews and Other Technical Adjustments	—	—	-16	-36	-57	-85	-194	-1,062
Subtotal, SSA	—	—	-16	-236	-357	-355	-964	-3,337
Multi-Agency:								
Spectrum Relocation Fund	—	—	200	400	500	600	1,700	2,500

Table S-9. Mandatory Proposals—Continued
(In millions of dollars)

	2003	2004	2005	2006	2007	2008	Total	
							2004-2008	2004-2013
Indirect Impact of Other Proposals (Third Scorecard):								
Medicare Program Management User Fee Effects on Supplemental Medical Insurance Premiums	—	—	35	12	—	—	47	298
Postal Service Pension Proposal Effect on Federal Financing Bank Revolving Fund	2	5	9	11	11	10	46	86
Enact FECA Surcharge	—	—	-4	-5	-5	-3	-17	-24
Total, Mandatory Proposals	2,286	12,764	19,557	50,846	57,870	64,836	205,872	567,666
Total, Excluding Medicare Modernization.....	2,286	6,764	9,557	17,846	19,870	21,836	75,872	167,666

* \$500,000 or less.

¹ Affects both receipts and outlays. Only the outlay effect is shown here.

Table S–10. Effect of Proposals on Receipts
(In millions of dollars)

	2003	2004	2005	2006	2007	2008	Total	
							2004–2008	2004–2013
Economic Growth Package:								
Accelerate 10-percent individual income tax rate bracket expansion	-978	-7,782	-6,112	-6,117	-6,495	-4,275	-30,781	-47,194
Accelerate reduction in individual income tax rates	-5,808	-35,693	-17,470	-4,939	—	—	-58,102	-58,102
Accelerate marriage penalty relief	-2,776	-27,134	-14,680	-7,642	-3,595	-1,735	-54,786	-55,210
Accelerate increase in child tax credit ¹	-13,527	-5,060	-10,735	-8,534	-8,532	-8,502	-41,363	-53,306
Eliminate the double taxation of corporate earnings.....	-3,801	-24,874	-22,062	-28,218	-31,126	-33,952	-140,232	-360,324
Increase expensing for small business	-1,023	-1,652	-1,776	-1,912	-1,601	-1,431	-8,372	-14,583
Provide minimum tax relief to individuals	-3,141	-8,534	-10,353	-6,931	—	—	-25,818	-25,818
Total economic growth package	-31,054	-110,729	-83,188	-64,293	-51,349	-49,895	-359,454	-614,537
Tax Incentives:								
Provide incentives for charitable giving:								
Provide charitable contribution deduction for nonitemizers	-199	-1,358	-1,067	-1,128	-1,177	-1,214	-5,944	-12,571
Permit tax-free withdrawals from IRAs for charitable contributions	-66	-437	-361	-376	-382	-388	-1,944	-4,076
Expand and increase the enhanced charitable deduction for contributions of food inventory	-19	-54	-59	-66	-72	-79	-330	-872
Reform excise tax based on investment income of private foundations	-16	-264	-172	-178	-186	-198	-998	-2,192
Modify tax on unrelated business taxable income of charitable remainder trusts	-1	-3	-4	-4	-4	-4	-19	-51
Modify basis adjustment to stock of S corporations contributing appreciated property	—	-12	-11	-14	-16	-19	-72	-216
Repeal the \$150 million limitation on qualified 501(c)(3) bonds	-2	-6	-9	-10	-9	-9	-43	-82
Repeal restrictions on the use of qualified 501(c)(3) bonds for residential rental property	—	-2	-6	-11	-17	-24	-60	-276
Strengthen and reform education:								
Provide refundable tax credit for certain costs of attending a different school for pupils assigned to failing public schools ²	—	-13	-29	-38	-42	-46	-168	-192
Extend, increase and expand the above-the-line deduction for qualified out-of-pocket classroom expenses	—	-23	-229	-240	-249	-260	-1,001	-2,352
Invest in health care:								

Table S-10. Effect of Proposals on Receipts—Continued
(In millions of dollars)

	2003	2004	2005	2006	2007	2008	Total	
							2004-2008	2004-2013
Provide refundable tax credit for the purchase of health insurance ³	—	-324	-1,449	-889	-409	-139	-3,210	-1,550
Provide an above-the-line deduction for long-term care insurance premiums	—	-112	-559	-984	-1,923	-3,063	-6,641	-28,255
Allow up to \$500 in unused benefits in a health flexible spending arrangement to be carried forward to the next year	—	-367	-640	-723	-782	-830	-3,342	-8,385
Provide additional choice with regard to unused benefits in a health flexible spending arrangement..	—	-19	-33	-39	-45	-52	-188	-595
Permanently extend and reform Archer MSAs	—	-26	-284	-432	-486	-549	-1,777	-5,134
Provide an additional personal exemption to home caregivers of family members.....	—	-70	-465	-437	-422	-417	-1,811	-3,892
Allow the orphan drug tax credit for certain pre-designation expenses.....	—	—	—	-1	-1	-1	-3	-8
Encourage telecommuting:								
Exclude from income the value of employer-provided computers, software and peripherals.....	—	-35	-51	-53	-54	-56	-249	-554
Increase housing opportunities:								
Provide tax credit for developers of affordable single-family housing	—	-7	-78	-315	-750	-1,316	-2,466	-16,133
Encourage saving:								
Establish Individual Development Accounts (IDAs).....	—	—	-124	-267	-319	-300	-1,010	-1,347
Protect the environment:								
Permanently extend expensing of brownfields remediation costs.....	—	-185	-282	-268	-257	-248	-1,240	-2,356
Exclude 50 percent of gains from the sale of property for conservation purposes	—	-21	-44	-46	-48	-50	-209	-531
Increase energy production and promote energy conservation:								
Extend and modify the tax credit for producing electricity from certain sources	-124	-264	-355	-209	-90	-92	-1,010	-1,492
Provide tax credit for residential solar energy systems	-4	-7	-10	-18	-25	-11	-71	-71
Modify treatment of nuclear decommissioning funds ..	-14	-251	-180	-191	-201	-212	-1,035	-2,260
Provide tax credit for purchase of certain hybrid and fuel cell vehicles.....	-44	-154	-316	-524	-793	-631	-2,418	-3,202
Provide tax credit for energy produced from landfill gas.....	-5	-28	-65	-88	-99	-112	-392	-707

Table S-10. Effect of Proposals on Receipts—Continued

(In millions of dollars)

	2003	2004	2005	2006	2007	2008	Total	
							2004–2008	2004–2013
Provide tax credit for combined heat and power property	-45	-71	-66	-64	-77	-14	-292	-250
Provide excise tax exemption (credit) for ethanol ⁴	—	—	—	—	—	—	—	—
Promote trade:								
Implement free trade agreements with Chile and Singapore ⁵	—	-25	-51	-68	-80	-92	-316	-913
Improve tax administration:								
Implement IRS administrative reforms	—	78	54	56	57	59	304	624
Permit private collection agencies to engage in specific, limited activities to support IRS collection efforts	—	46	128	111	94	97	476	1,008
Combat abusive tax avoidance transactions	12	45	83	98	99	103	428	1,007
Limit related party interest deductions	10	104	190	239	293	351	1,177	3,987
Reform unemployment insurance:								
Reform unemployment insurance administrative financing ⁵	—	—	-1,068	-1,439	-3,368	-2,016	-7,891	-13,401
Total tax incentives	-517	-3,865	-7,612	-8,616	-11,840	-11,832	-43,765	-107,290
Other Proposals:								
Deposit full amount of excise tax imposed on gasohol in the Highway Trust Fund ⁵	—	—	—	558	576	590	1,724	4,912
Increase Indian gaming activity fees	—	—	3	4	4	5	16	41
Total other proposals	—	—	3	562	580	595	1,740	4,953
Simplify the Tax Laws:								
Establish uniform definition of a qualifying child	-2	-43	-23	-24	-28	-19	-137	-211
Simplify adoption tax provisions	-4	-36	-37	-39	-40	-42	-194	-429
Expand tax-free savings opportunities	1,390	10,572	4,803	1,915	-648	-1,822	14,820	2,002
Consolidate employer-based savings accounts	-5	-185	-253	-263	-276	-292	-1,269	-3,011
Total simplify the tax laws	1,379	10,308	4,490	1,589	-992	-2,175	13,220	-1,649
Expiring Provisions:								
Temporarily extend expiring provisions:								
Combined work opportunity/welfare-to-work tax credit	—	-54	-201	-268	-181	-96	-800	-873
Minimum tax relief for individuals	—	-260	-7,286	-10,343	—	—	-17,889	-17,889

Table S–10. Effect of Proposals on Receipts—Continued
(In millions of dollars)

	2003	2004	2005	2006	2007	2008	Total	
							2004–2008	2004–2013
DC tax incentives	—	-53	-116	-58	-1	-4	-232	-357
Authority to issue Qualified Zone Academy Bonds	—	-6	-18	-34	-52	-64	-174	-514
Deduction for corporate donations of computer technology	—	-74	-127	-52	—	—	-253	-253
Net operating loss offset of 100 percent of AMTI	-639	-3,028	-2,274	-1,442	420	367	-5,957	-4,890
IRS user fees.....	—	68	81	6	—	—	155	155
Abandoned mine reclamation fees.....	—	—	308	313	319	325	1,265	2,978
Permanently extend expiring provisions:								
Provisions expiring in 2010:								
Marginal individual income tax rate reductions.....	—	—	—	—	—	—	—	-286,952
Child tax credit ⁶	—	—	—	—	—	—	—	-46,893
Marriage penalty relief ⁷	—	—	—	—	—	—	—	-20,654
Education incentives.....	-2	-11	-19	-27	-33	-42	-132	-4,685
Repeal of estate and generation-skipping transfer taxes, and modification of gift taxes	46	-292	-810	-1,319	-1,540	-1,736	-5,697	-125,991
Modifications of IRAs and pension plans.....	—	—	—	—	—	—	—	-11,236
Other incentives for families and children	—	—	—	—	—	—	—	-2,029
Other provisions:								
Research & Experimentation (R&E) tax credit	—	-1,005	-3,278	-5,187	-6,291	-7,129	-22,890	-67,922
Suspension of disallowance of certain deductions of mutual life insurance companies	—	-123	-137	-65	-36	-24	-385	-472
Total expiring provisions	-595	-4,838	-13,877	-18,476	-7,395	-8,403	-52,989	-588,477
Total budget proposals	-30,787	-109,124	-100,184	-89,234	-70,996	-71,710	-441,248	-1,307,000

¹ Affects both receipts and outlays. Only the receipt effect is shown here. The outlay effect is \$300 million for 2003, \$1,074 million for 2004, \$4,783 million for 2005, \$4,272 million for 2006, \$4,195 million for 2007, \$4,142 million for 2008, \$18,466 million for 2004-2008, and \$25,239 million for 2004-2013.

² Affects both receipts and outlays. Only the receipt effect is shown here. The outlay effect is \$213 million for 2004, \$543 million for 2005, \$714 million for 2006, \$796 million for 2007, \$886 million for 2008, \$3,152 million for 2004-2008, and \$3,626 million for 2004-2013.

³ Affects both receipts and outlays. Only the receipt effect is shown here. The outlay effect is \$3,546 million for 2005, \$8,166 million for 2006, \$9,251 million for 2007, \$9,827 million for 2008, \$30,790 million for 2004-2008, and \$87,608 million for 2004-2013.

⁴ Policy proposal with a receipt effect of zero.

⁵ Net of income offsets.

⁶ Affects both receipts and outlays. Only the receipt effect is shown here. The outlay effect is \$20,781 million for 2004-2013.

⁷ Affects both receipts and outlays. Only the receipt effect is shown here. The outlay effect is \$3,744 million for 2004-2013.

Table S-11. Receipts by Source - Summary
(In billions of dollars)

Source	2002 Actual	Estimates					
		2003	2004	2005	2006	2007	2008
Individual income taxes	858.3	849.1	849.9	934.6	1,014.1	1,103.4	1,175.3
Corporation income taxes.....	148.0	143.2	169.1	229.3	233.8	237.8	243.7
Social insurance and retirement receipts	700.8	726.6	764.5	810.9	845.8	883.6	922.2
(On-budget).....	(185.4)	(195.0)	(208.4)	(221.4)	(231.0)	(239.1)	(249.0)
(Off-budget).....	(515.3)	(531.6)	(556.2)	(589.5)	(614.8)	(644.4)	(673.2)
Excise taxes	67.0	68.4	70.9	73.3	75.6	77.8	80.0
Estate and gift taxes	26.5	20.2	23.4	21.1	23.2	20.8	21.2
Customs duties.....	18.6	19.1	20.7	21.2	23.9	26.0	27.6
Miscellaneous receipts	33.9	34.7	38.5	44.8	46.9	48.8	51.0
Adjustment for revenue uncertainty ¹ .	—	-25.0	-15.0	—	—	—	—
Total, governmental receipts.....	1,853.2	1,836.2	1,922.0	2,135.2	2,263.2	2,398.1	2,520.9
(On-budget).....	(1,337.9)	(1,304.7)	(1,365.9)	(1,545.7)	(1,648.4)	(1,753.6)	(1,847.7)
(Off-budget).....	(515.3)	(531.6)	(556.2)	(589.5)	(614.8)	(644.4)	(673.2)

¹ These amounts reflect an additional adjustment to receipts beyond what the economic and tax models forecast and have been made in the interest of cautious and prudent forecasting.

Table S–12. Comparison of Economic Assumptions
(Calendar years)

	Projections						Average 2003–2008
	2003	2004	2005	2006	2007	2008	
Real GDP (billions of 1996 dollars):							
CBO January	9,673	10,018	10,358	10,697	11,037	11,380	
Blue Chip Consensus January ²	9,704	10,050	10,383	10,709	11,041	11,384	
2004 Budget.....	9,710	10,061	10,414	10,760	11,102	11,446	
Real GDP (chain-weighted):¹							
CBO January	2.5	3.6	3.4	3.3	3.2	3.1	3.2
Blue Chip Consensus January ²	2.8	3.6	3.3	3.1	3.1	3.1	3.2
2004 Budget.....	2.9	3.6	3.5	3.3	3.2	3.1	3.3
Chain-weighted GDP Price Index:¹							
CBO January	1.6	1.7	2.0	2.1	2.1	2.2	2.0
Blue Chip Consensus January ²	1.6	1.9	2.1	2.1	2.1	2.1	2.0
2004 Budget.....	1.3	1.5	1.5	1.7	1.7	1.8	1.6
Consumer Price Index (all-urban):¹							
CBO January	2.3	2.2	2.4	2.5	2.5	2.5	2.4
Blue Chip Consensus January ²	2.2	2.2	2.5	2.6	2.5	2.5	2.4
2004 Budget.....	2.2	2.1	2.1	2.2	2.2	2.3	2.2
Unemployment rate:³							
CBO January	5.9	5.7	5.4	5.3	5.2	5.2	5.5
Blue Chip Consensus January ²	5.9	5.5	5.1	5.1	5.1	5.1	5.3
2004 Budget.....	5.7	5.5	5.2	5.1	5.1	5.1	5.3
Interest rates:³							
91-day Treasury bills:							
CBO January.....	1.4	3.5	4.8	4.9	4.9	4.9	4.1
Blue Chip Consensus January ²	1.6	2.9	4.2	4.4	4.6	4.4	3.7
2004 Budget.....	1.6	3.3	4.0	4.2	4.2	4.3	3.6
10-year Treasury notes:							
CBO January.....	4.4	5.2	5.7	5.8	5.8	5.8	5.4
Blue Chip Consensus January ²	4.4	5.2	5.6	5.8	5.7	5.7	5.4
2004 Budget.....	4.2	5.0	5.3	5.4	5.5	5.6	5.2

¹ Year over year percent change.

² January 2003 Blue Chip Consensus forecast for 2003 and 2004; Blue Chip October 2002 long run extension for 2005 - 2008.

³ Annual averages, percent.

Table S-13. Baseline Summary by Category
(In billions of dollars)

	2002	2003	2004	2005	2006	2007	2008	Total 2004-2008
Outlays:								
Discretionary:								
Defense (050).....	349	375	383	393	400	411	421	2,008
Nondefense	385	410	412	420	424	432	441	2,130
Total, Discretionary	734	785	795	813	825	843	862	4,138
Mandatory:								
Social Security	452	474	493	512	533	559	587	2,684
Medicare.....	228	241	249	262	268	285	302	1,367
Medicaid and SCHIP.....	151	167	182	198	215	233	252	1,079
Other	274	303	297	298	302	309	323	1,529
Total, Mandatory	1,106	1,185	1,221	1,269	1,318	1,387	1,465	6,660
Net interest.....	171	161	173	193	205	211	214	996
Total Outlays.....	2,011	2,131	2,189	2,276	2,384	2,440	2,541	11,794
Receipts.....	1,853	1,867	2,031	2,235	2,352	2,469	2,593	11,681
Surplus/deficit	-158	-264	-158	-40	5	29	51	-114
On-budget deficit.....	-317	-425	-330	-237	-207	-199	-192	-1,170
Off-budget surplus	160	160	172	197	211	228	243	1,056

Table S-14. Federal Government Financing and Debt
(In billions of dollars)

Function	2002 Actual	Estimates					
		2003	2004	2005	2006	2007	2008
Financing:							
Unified budget deficit (-).....	-158	-304	-307	-208	-201	-178	-190
Financing other than the change in debt held by the public:							
Premiums paid (-) on buybacks of Treasury securities.....	-4	—	—	—	—	—	—
Net purchases (-) of non-Federal securities by the National Railroad Retirement Investment Trust	-2	-17	-*	1	1	1	1
Changes in: ¹							
Treasury operating cash balance.....	-17	11	—	—	—	—	—
Compensating balances ²	-14	-10	37	—	—	—	—
Checks outstanding, etc. ³	-12	-4	—	—	—	—	—
Seigniorage on coins.....	1	1	1	1	1	1	1
Less: Net financing disbursements:							
Direct loan financing accounts.....	-15	-16	-19	-15	-20	-20	-21
Guaranteed loan financing accounts	-2	1	1	*	2	2	2
Total, financing other than the change in debt held by the public	-63	-34	20	-12	-16	-16	-17
Total, requirement to borrow from the public.....	-221	-338	-288	-220	-216	-194	-206
Change in debt held by the public.....	221	338	288	220	216	194	206
Change in Debt Subject to Statutory Limitation:							
Change in debt held by the public.....	221	338	288	220	216	194	206
Change in debt held by Government accounts.....	208	216	281	296	300	310	324
Change in other factors.....	*	16	*	*	*	*	1
Total, change in debt subject to statutory limitation.....	429	569	569	517	516	505	531
Debt Subject to Statutory Limitation, End of Year:							
Debt issued by Treasury	6,171	6,725	7,294	7,811	8,327	8,832	9,363
Adjustment for Treasury debt not subject to limitation and agency debt subject to limitation ⁴	-15	-*	-*	-*	-*	-*	-*
Adjustment for discount and premium ⁵	6	6	6	6	6	6	6
Total, debt subject to statutory limitation ⁶	6,161	6,731	7,300	7,817	8,333	8,837	9,368

Table S-14. Federal Government Financing and Debt—Continued
(In billions of dollars)

Function	2002 Actual	Estimates					
		2003	2004	2005	2006	2007	2008
Debt Outstanding, End of Year:							
Gross Federal debt ⁷ :							
Debt issued by Treasury	6,171	6,725	7,294	7,811	8,327	8,832	9,363
Debt issued by other agencies	27	27	27	26	26	26	25
Total, gross Federal debt	6,198	6,752	7,321	7,837	8,353	8,858	9,388
Held by:							
Debt held by Government accounts	2,658	2,874	3,155	3,451	3,751	4,061	4,385
Debt held by the public ⁸	3,540	3,878	4,166	4,387	4,603	4,797	5,003

* \$500 million or less.

¹ A decrease in the Treasury operating cash balance or compensating balances (which are assets) would be a means of financing a deficit and therefore has a positive sign. An increase in checks outstanding (which is a liability) would also be a means of financing a deficit and therefore also has a positive sign.

² Compensating balances are non-interest bearing Treasury bank deposits that Treasury mainly uses to compensate banks for collecting taxes and non-tax receipts under financial agency agreements. The Administration is proposing legislation to replace them with an appropriation in 2004.

³ Besides checks outstanding, includes accrued interest payable on Treasury debt, miscellaneous liability accounts, allocations of special drawing rights; and, as an offset, cash and monetary assets (other than the Treasury operating cash balance and compensating balances), miscellaneous assets accounts, and profit on sale of gold.

⁴ Consists primarily of Federal Financing Bank debt in 2002.

⁵ Consists of unamortized discount (less premium) on public issues of Treasury notes and bonds (other than zero-coupon bonds) and unrealized discount on Government account series securities.

⁶ The statutory debt limit is \$6,400 billion.

⁷ Treasury securities held by the public and zero-coupon bonds held by Government accounts are almost all measured at sales price plus amortized discount or less amortized premium. Agency debt securities are almost all measured at face value. Treasury securities in the Government account series are measured at face value less unrealized discount (if any).

⁸ At the end of 2002, the Federal Reserve Banks held \$604.2 billion of federal securities and the rest of the public held \$2,936.2 billion. Debt held by the Federal Reserve Banks is not estimated for future years.