

# Business Situation

## Advance Estimates for the First Quarter of 2004

THE U.S. economy grew at about the same rate at the beginning of 2004 as at the end of 2003, according to the “advance” estimates of the national income and product accounts (NIPAs) (chart 1). Prices, in contrast, increased more than at the end of 2003.

The advance estimates for the first quarter of 2004 show the following:

- Real GDP increased 4.2 percent after increasing 4.1 percent in the fourth quarter of 2003 (table 1).<sup>1</sup>
- Prices of goods and services purchased by U.S. residents increased 3.2 percent after increasing 1.3 percent. Excluding the relatively volatile prices of food and energy, the price index increased 2.3 percent after increasing 1.5 percent.

1. “Real” estimates are in chained (2000) dollars, and price indexes are chain-type measures.

Quarterly estimates in the NIPAs are expressed at seasonally adjusted annual rates, unless otherwise specified. Quarter-to-quarter dollar changes are differences between these published estimates. Percent changes are calculated from unrounded data and annualized.

*This article was prepared by Daniel Larkins.*

Consumer spending, government spending, and international trade contributed to the slight step-up in GDP growth.<sup>2</sup>

Consumer spending increased 3.8 percent, and it contributed 2.65 percentage points to GDP growth after contributing 2.29 percentage points in the fourth quarter. Purchases of nondurable goods and of services increased more than in the fourth quarter, but purchases of durable goods turned down. The step-up in nondurable goods was accounted for by food and clothing; in contrast, purchases of energy goods decreased after increasing. The step-up in services was largely accounted for by net foreign travel and by brokerage charges and investment counseling.<sup>3</sup> The slowdown in durable goods was mainly accounted for by motor vehicles.

2. In this article, “consumer spending” is shorthand for the NIPA series “personal consumption expenditures,” “government spending” is shorthand for “government consumption expenditures and gross investment,” and “inventory investment” is shorthand for “change in private inventories.”

3. Net foreign travel is “foreign travel by U.S. residents” less “expenditures in the United States by nonresidents.” In the first quarter, expenditures by nonresidents turned down.

**Table 1. Real Gross Domestic Product and Components**

[Seasonally adjusted at annual rates]

	Change from preceding quarter (percent)				Contribution to percent change in real GDP (percentage points)				Share of current-dollar GDP (percent)
	2003			2004	2003			2004	2004
	II	III	IV	I	II	III	IV	I	I
<b>Gross domestic product</b> .....	<b>3.1</b>	<b>8.2</b>	<b>4.1</b>	<b>4.2</b>	<b>3.1</b>	<b>8.2</b>	<b>4.1</b>	<b>4.2</b>	<b>100</b>
<b>Personal consumption expenditures</b> .....	<b>3.3</b>	<b>6.9</b>	<b>3.2</b>	<b>3.8</b>	<b>2.34</b>	<b>4.89</b>	<b>2.29</b>	<b>2.65</b>	<b>70.4</b>
Durable goods.....	17.7	28.0	0.7	-4.7	1.38	2.23	0.06	-0.40	8.3
Nondurable goods.....	1.2	7.3	5.4	6.4	0.25	1.48	1.07	1.28	20.3
Services.....	1.7	2.8	2.8	4.3	0.71	1.19	1.16	1.77	41.7
<b>Gross private domestic investment</b> .....	<b>4.7</b>	<b>14.8</b>	<b>14.9</b>	<b>7.2</b>	<b>0.73</b>	<b>2.17</b>	<b>2.19</b>	<b>1.12</b>	<b>15.7</b>
Fixed investment.....	6.1	15.8	9.9	5.4	0.90	2.30	1.48	0.84	15.6
Nonresidential.....	7.0	12.8	10.9	7.2	0.68	1.25	1.08	0.73	10.3
Structures.....	3.9	-1.8	-1.4	-6.5	0.09	-0.04	-0.03	-0.15	2.3
Equipment and software.....	8.0	17.6	14.9	11.5	0.59	1.30	1.11	0.88	8.0
Residential.....	4.5	21.9	7.9	2.1	0.22	1.05	0.40	0.11	5.3
Change in private inventories.....					-0.17	-0.13	0.71	0.27	0.1
<b>Net exports of goods and services</b> .....					<b>-1.34</b>	<b>0.80</b>	<b>-0.32</b>	<b>0.02</b>	<b>-4.5</b>
Exports.....	-1.1	9.9	20.5	3.2	-0.11	0.92	1.81	0.31	9.9
Goods.....	-1.7	8.6	21.3	4.0	-0.11	0.56	1.29	0.27	6.8
Services.....	0.2	12.7	18.9	1.3	0.01	0.36	0.52	0.04	3.0
Imports.....	9.1	0.8	16.4	2.0	-1.24	-0.12	-2.14	-0.28	14.4
Goods.....	13.7	-1.5	18.3	1.9	-1.51	0.18	-1.96	-0.23	12.0
Services.....	-10.9	13.4	7.5	2.3	0.27	-0.30	-0.17	-0.05	2.4
<b>Government consumption expenditures and gross investment</b> .....	<b>7.4</b>	<b>1.8</b>	<b>-0.1</b>	<b>2.0</b>	<b>1.36</b>	<b>0.34</b>	<b>-0.01</b>	<b>0.37</b>	<b>18.4</b>
Federal.....	23.5	1.2	0.7	10.1	1.46	0.09	0.05	0.67	7.0
National defense.....	41.9	-1.3	3.0	15.1	1.58	-0.06	0.13	0.66	4.7
Nondefense.....	-5.0	6.5	-3.7	0.7	-0.12	0.15	-0.09	0.02	2.3
State and local.....	-0.8	2.1	-0.5	-2.6	-0.10	0.25	-0.06	-0.30	11.4
<b>Addenda:</b>									
Final sales of domestic product.....	3.3	8.3	3.4	3.9					

NOTE: The percent changes are from NIPA table 1.1.1, and the contributions to percent change are from NIPA table 1.1.2. The shares are from NIPA table 1.1.10. The addenda are from NIPA tables 1.4.1 and 1.7.1. See “Selected NIPA Tables,” which begins on page D-2 of this issue.

Government spending increased 2.0 percent after little change, and it contributed 0.37 percentage point to GDP growth after subtracting 0.01 percentage point. Spending by the Federal Government stepped up; in contrast, spending by state and local governments decreased more than in the fourth quarter. National defense accounted for most of the step-up in Federal spending.

International trade (net exports) added 0.02 percentage point to GDP growth in the first quarter after subtracting 0.32 percentage point in the fourth. Imports increased less than in the fourth quarter. (Because imports are subtracted in the calculation of GDP, a slowdown in import growth is associated with a step-up in GDP growth.) The slowdown in imports was mainly accounted for by nonautomotive consumer and capital goods and by automotive products; in contrast, imports of petroleum turned up, and imports of industrial supplies and materials increased more than in the fourth quarter. Exports also increased less than in the fourth quarter; the largest contributor to the slowdown was nonautomotive capital goods, but most

other major categories of goods and services exports also turned down or decelerated.

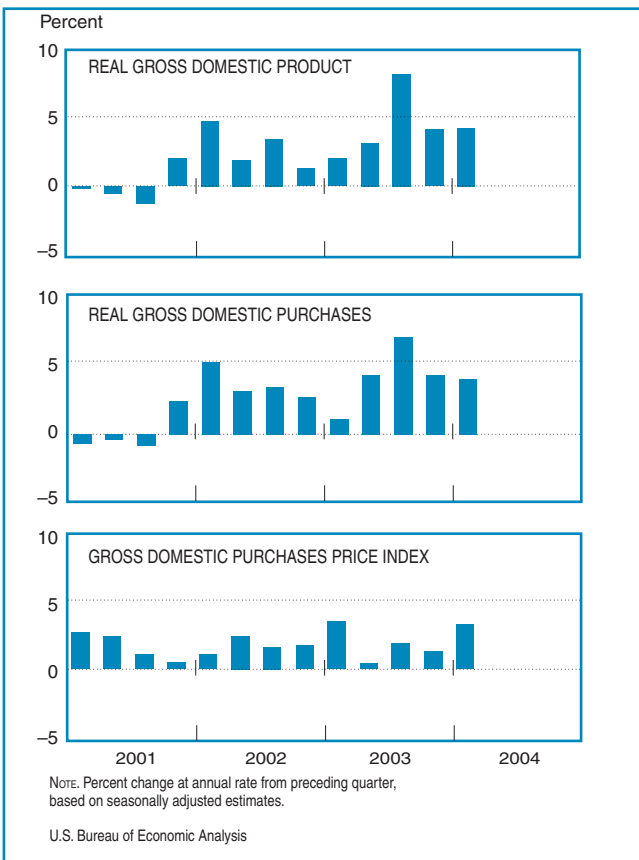
Inventory investment and residential and nonresidential fixed investment contributed less to GDP growth in the first quarter than in the fourth.

Inventory investment added 0.27 percentage point to GDP growth as the pace of inventory accumulation stepped up; in the fourth quarter, inventory investment added 0.71 percentage point, as inventory liquidation gave way to accumulation. Motor vehicle inventory investment slowed in the first quarter, while nonmotor vehicle inventory investment decreased about as much as in the fourth quarter.

Residential investment increased 2.1 percent, and it contributed 0.11 percentage point to GDP growth after contributing 0.40 percentage point. The slowdown was more than accounted for by single-family housing; in contrast, "other" residential structures (which includes brokers' commissions on house sales) decreased much less than in the fourth quarter, and multifamily structures decreased slightly less than in the fourth quarter.

Nonresidential fixed investment increased 7.2 percent, and it contributed 0.73 percentage point to GDP growth after contributing 1.08 percentage points. Investment in equipment and software increased less than in the fourth quarter, and investment in structures decreased more than in the fourth quarter. The increase in equipment and software was the eighth in a row; the decrease in structures was the 11<sup>th</sup> in the last 13 quarters. In equipment and software, transportation equipment decreased a little after a sharp increase, and information processing equipment and "other" equipment increased less than in the fourth quarter. In structures, decreases for commercial and health care, for manufacturing, and for "other" structures were bigger than in the fourth quarter. In contrast, investment in power and communication structures stepped up sharply in the first quarter.

**Chart 1. Selected Measures: Change From Preceding Quarter**



**Table 2. Change in Real Gross Domestic Product by Type of Product**  
[Seasonally adjusted at annual rates]

	Change from preceding quarter (percent)				Contribution to percent change in real GDP (percentage points)			
	2003			2004	2003			2004
	II	III	IV	I	II	III	IV	I
<b>Gross domestic product</b> .....	3.1	8.2	4.1	4.2	3.1	8.2	4.1	4.2
Goods.....	2.2	18.3	7.1	7.4	0.75	5.67	2.30	2.41
Services.....	3.6	2.1	2.8	3.8	2.08	1.27	1.61	2.18
Structures.....	2.8	13.9	2.4	-4.4	0.26	1.27	0.23	-0.42
<b>Addenda:</b>								
Motor vehicle output.....	2.1	26.6	3.7	-1.3	0.07	0.82	0.13	-0.04
Gross domestic product excluding motor vehicle output.....	3.1	7.6	4.2	4.4	3.01	7.39	4.01	4.21
Final sales of computers.....	32.8	93.4	32.3	7.1	0.25	0.65	-0.29	0.07
Gross domestic product less final sales of computers.....	2.8	7.6	3.9	4.1	2.83	7.56	3.85	4.09

NOTE: Percent changes are from NIPA table 1.2.1, and contributions to percent change are from NIPA table 1.2.2.

The advance estimates for the first quarter also show the following:

- Real disposable personal income increased 4.3 percent after increasing 0.5 percent.
- Real final sales of domestic product (GDP less the change in private inventories) increased 3.9 percent after increasing 3.4 percent.
- Real gross domestic purchases increased 4.0 percent after increasing 4.3 percent.
- The production of goods and of services stepped up, while the production of structures turned down (table 2).

- Motor vehicle output turned down. Excluding motor vehicles, real GDP increased 4.4 percent after increasing 4.2 percent.
- Final sales of computers slowed. Excluding these sales, real GDP increased 4.1 percent after increasing 3.9 percent.
- The personal saving rate increased from 1.7 percent to 1.9 percent.<sup>4</sup>

4. The personal saving rate is measured as personal saving as a percentage of current-dollar disposable personal income. Estimates of the *national* saving rate (measured as gross saving or net saving as a percentage of gross national income) will be available at the end of May along with the "preliminary" estimates of the NIPAs for the first quarter.

### First-Quarter 2004 Advance NIPA Estimates: Source Data and Assumptions

The "advance" estimate for the first quarter is based on the following major source data; as more and better data become available, the estimates will be revised. (The number of months for which data were available is shown in parentheses.)

**Personal consumption expenditures:** Sales of retail stores (3), unit auto and truck sales (3), and consumers' shares of auto and truck sales (3);

**Nonresidential fixed investment:** Unit auto and truck sales (3), construction put in place (2), manufacturers' shipments of machinery and equipment other than aircraft (3), shipments of civilian aircraft (2), and exports and imports of machinery and equipment (2);

**Residential investment:** Construction put in place (2), single-family housing starts (3), and sales of new and existing houses (3);

**Change in private inventories:** Trade and nondurable manufacturing inventories (2), durable manufacturing inventories (3), and unit auto and truck inventories (3);

**Net exports of goods and services:** Exports and imports of goods and services (2);

**Government consumption expenditures and gross investment:** Federal outlays (3), state and local construction put in place (2), and state and local employment (3);

**GDP prices:** Consumer price indexes (3), producer price indexes (3), U.S. import and export price indexes (3), and values and quantities of petroleum imports (2).

BEA made assumptions for source data that were not available. Table A shows the assumptions for key series; a more comprehensive list is available on BEA's Web site at <[www.bea.gov](http://www.bea.gov)>.

**Table A. Summary of Major Source Data and Assumptions for Advance Estimates, 2004:1**

[Billions of dollars, seasonally adjusted at annual rates]

	2003			2004		
	October	November	December	January	February	March <sup>1</sup>
Private fixed investment:						
Nonresidential structures:						
Value of new total private construction put in place less residential (including improvements)	217.7	215.7	217.3	213.4	215.8	214.6
Equipment and software:						
Manufacturers' shipments of complete aircraft.....	25.9	33.1	27.1	26.6	26.8	29.5
Residential structures:						
Value of new residential construction put in place:						
Single family .....	324.4	332.8	339.3	339.2	337.6	345.4
Multifamily .....	34.7	34.6	34.1	33.5	33.8	34.6
Change in private inventories:						
Change in inventories for nondurable manufacturing .....	-3.4	4.6	-12.9	13.4	13.0	0.5
Change in inventories for merchant wholesale and retail industries other than motor vehicles and equipment .....	14.4	33.0	24.3	1.0	43.5	34.0
Net exports: <sup>2</sup>						
Exports of goods:						
U.S. exports of goods, international-transactions-accounts basis .....	739.9	764.7	755.5	742.6	780.7	788.9
Excluding gold .....	734.9	760.2	751.0	737.5	776.7	784.8
Imports of goods:						
U.S. imports of goods, international-transactions-accounts basis .....	1,304.9	1,292.0	1,330.6	1,324.8	1,347.6	1,381.0
Excluding gold .....	1,300.9	1,288.0	1,327.3	1,320.7	1,343.1	1,376.4
Net exports of goods .....	-565.1	-527.3	-575.1	-582.2	-566.8	-592.1
Excluding gold .....	-566.0	-527.7	-576.4	-583.2	-566.4	-591.6
Government:						
State and local:						
Structures:						
Value of new construction put in place .....	202.3	199.2	195.4	191.9	190.9	191.4

1. Assumption.

2. Nonmonetary gold is included in balance-of-payments-basis exports and imports but is not used directly in the estimation of NIPA exports and imports.

## Prices

Inflation as measured by the price index for gross domestic purchases stepped up to 3.2 percent in the first quarter of 2004 from 1.3 percent in the fourth quarter of 2003 (table 3). The acceleration partly reflected an upturn in energy prices; as noted earlier, excluding the prices of food and energy, the price index increased 2.3 percent after increasing 1.5 percent (chart 2). A Federal pay raise for military and civilian personnel added about 0.3 percentage point to the first-quarter increase in prices.<sup>5</sup>

Prices of goods and services purchased by consumers increased 3.2 percent after increasing 1.0 percent. The price of energy goods and services turned up, while food prices decelerated. The price of all other consumer purchases increased 2.0 percent—the biggest increase in 1½ years.

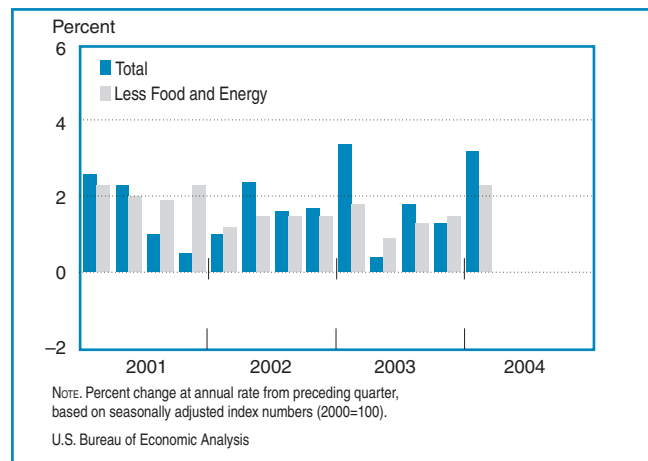
Prices of private nonresidential fixed investment increased 0.6 percent after increasing 1.8 percent. Prices of structures increased about as much as in the fourth quarter, and prices of equipment and software turned down.

Prices paid by government increased 4.8 percent after increasing 0.7 percent. The step-up, which was evident at both the Federal level and at the state and local

level, partly reflected the upturn in energy prices; Federal prices also reflected the Federal pay raise.

The GDP price index, which measures the prices paid for goods and services produced in the United States, increased 2.5 percent, 0.7 percentage point less than the price index for gross domestic purchases. The smaller increase in the GDP price index reflected a smaller increase in export prices (which are included in the GDP price index) than in import prices (which are included in the price index for gross domestic purchases).

**Chart 2. Gross Domestic Purchases Prices: Change From Preceding Quarter**



5. In the NIPAs, an increase in the rate of Federal employee compensation is treated as an increase in the price of employee services purchased by the Federal Government.

**Table 3. Prices for Gross Domestic Purchases**

[Percent change at annual rates; based on seasonally adjusted index numbers (2000=100)]

	Change from preceding quarter (percent)				Contribution to percent change (percentage points)			
	2003			2004	2003			2004
	II	III	IV	I	II	III	IV	I
<b>Gross domestic purchases</b> .....	<b>0.4</b>	<b>1.8</b>	<b>1.3</b>	<b>3.2</b>	<b>0.4</b>	<b>1.8</b>	<b>1.3</b>	<b>3.2</b>
<b>Personal consumption expenditures</b> .....	<b>0.5</b>	<b>1.8</b>	<b>1.0</b>	<b>3.2</b>	<b>0.29</b>	<b>1.18</b>	<b>0.68</b>	<b>2.14</b>
Durable goods .....	-3.9	-4.0	-3.9	-0.3	-0.33	-0.34	-0.33	-0.02
Nondurable goods .....	-2.1	3.8	0.5	5.3	-0.42	0.71	0.10	1.02
Services .....	2.7	2.0	2.3	2.9	1.05	0.81	0.92	1.15
<b>Gross private domestic investment</b> .....	<b>0.0</b>	<b>2.0</b>	<b>3.6</b>	<b>1.7</b>	<b>0.07</b>	<b>0.29</b>	<b>0.52</b>	<b>0.25</b>
Fixed investment .....	0.0	2.1	3.7	1.9	-0.01	0.30	0.54	0.29
Nonresidential .....	-1.2	1.6	1.8	0.6	-0.11	0.15	0.18	0.06
Structures .....	1.1	2.7	4.7	4.5	0.02	0.06	0.10	0.10
Equipment and software .....	-1.8	1.2	1.0	-0.5	-0.14	0.09	0.07	-0.04
Residential .....	2.2	3.1	7.5	4.6	0.10	0.15	0.37	0.23
Change in private inventories .....					0.07	-0.01	-0.02	-0.04
<b>Government consumption expenditures and gross investment</b> .....	<b>0.1</b>	<b>1.7</b>	<b>0.7</b>	<b>4.8</b>	<b>0.01</b>	<b>0.31</b>	<b>0.13</b>	<b>0.83</b>
Federal .....	1.4	1.3	0.3	6.4	0.09	0.09	0.02	0.42
National defense .....	1.2	1.3	0.4	5.8	0.05	0.06	0.02	0.25
Nondefense .....	1.6	1.3	0.1	7.5	0.04	0.03	0.00	0.16
State and local .....	-0.7	2.0	1.0	3.8	-0.08	0.22	0.11	0.42
<b>Addenda:</b>								
Gross domestic purchases:								
Food .....	2.4	2.5	3.9	2.3	0.22	0.23	0.36	0.22
Energy goods and services .....	-14.1	11.2	-8.1	28.3	-0.62	0.42	-0.33	1.00
Less food and energy .....	0.9	1.3	1.5	2.3	0.77	1.13	1.30	2.00
Personal consumption expenditures:								
Food .....	2.4	2.5	4.0	2.6				
Energy goods and services .....	-8.6	12.3	-9.5	26.9				
Less food and energy .....	0.8	1.0	1.2	2.0				
Gross domestic product .....	1.1	1.6	1.5	2.5				

NOTE: Most percent changes are from NIPA table 1.6.7; percent changes for personal consumption expenditures on energy goods and services and for personal consumption expenditures excluding food and energy are calculated from index numbers in table 2.3.4. Contributions to percent change are from table 1.6.8.

## Personal Income

Real disposable personal income (DPI) increased 4.3 percent in the first quarter of 2004 after increasing 0.5 percent in the fourth quarter of 2003 (chart 3 and table 4). The acceleration reflected a step-up in current-dollar DPI (defined as personal income less personal current taxes) that was partly offset by a step-up in the implicit price deflator for personal consumption expenditures (which is used to deflate DPI).

Personal income, which is measured only in current dollars, increased \$128.9 billion (or 5.6 percent) after increasing \$107.6 billion (4.7 percent).

Employee compensation, transfers, and proprietors' income increased more than in the fourth quarter; rental income and interest income increased less than in the fourth quarter.

Employee compensation increased \$95.2 billion, almost twice as much as in the fourth quarter. A step-up in wage and salary disbursements was broadly based;

all major industry groups contributed. In government, the Federal pay raise contributed \$5.2 billion (at an annual rate) to the step-up. A step-up in supplements to wages and salaries reflected employer contributions for government social insurance and for private health insurance.<sup>6</sup>

Personal current transfer receipts increased \$19.3 billion after increasing \$5.1 billion. The step-up mainly reflected an upturn in benefits received from state and local governments (primarily Medicaid) and an acceleration in benefits received from the Federal Government. The step-up in Federal benefits partly reflected cost-of-living adjustments to social security payments;

6. Employer contributions for social insurance do not affect personal income. They are added in "supplements to wages and salaries" and subtracted in "contributions for government social insurance."

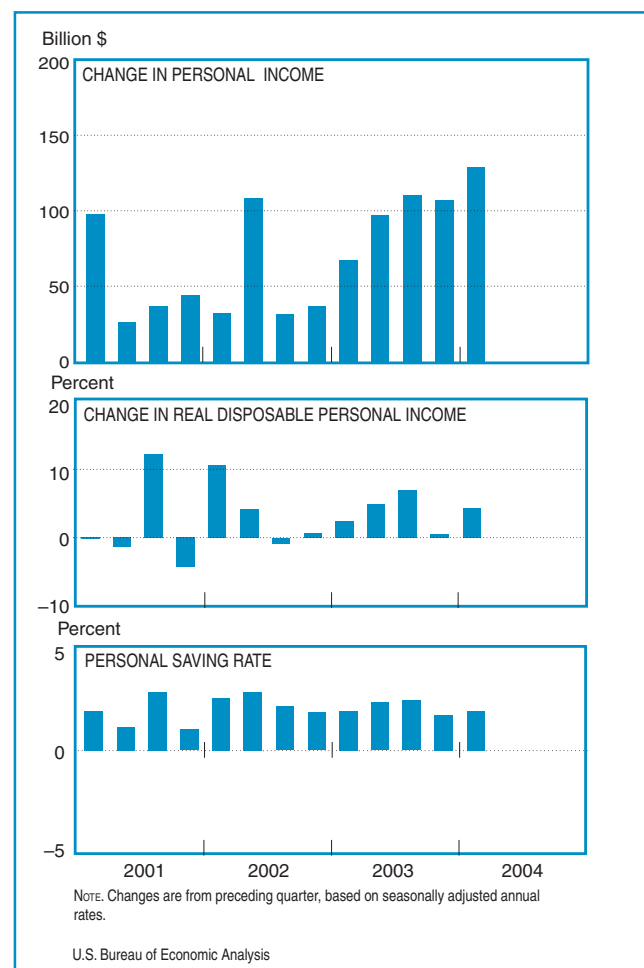
**Table 4. Personal Income and Its Disposition**

[Billions of dollars; seasonally adjusted at annual rates]

	Level	Change from preceding period			
	2004	2003			2004
	I	II	III	IV	I
Compensation of employees, received .....	6,377.6	51.8	63.2	53.0	95.2
Wage and salary disbursements.....	5,218.7	39.0	46.6	39.5	60.4
Private industries.....	4,307.7	29.4	46.1	38.4	50.5
Goods-producing industries.....	1,030.4	-2.4	3.9	9.1	14.0
Manufacturing.....	680.7	-4.0	1.1	5.5	7.6
Services-producing industries.....	3,277.3	31.8	42.2	29.3	36.5
Trade, transportation, and utilities ....	881.3	4.5	5.9	7.6	8.3
Other services-producing industries	2,396.0	27.2	36.3	21.8	28.1
Government .....	911.0	9.5	0.5	1.2	9.8
Supplements to wages and salaries.....	1,158.9	12.7	16.7	13.4	34.9
Proprietors' income with IVA and CCAAdj .....	894.3	25.3	22.1	13.4	20.0
Farm .....	20.8	7.0	1.5	1.8	-2.5
Nonfarm.....	873.5	18.3	20.6	11.5	22.6
Rental income of persons with CCAAdj.....	188.4	-9.8	3.6	26.0	5.4
Personal income receipts on assets.....	1,413.9	1.6	-1.0	16.0	8.7
Personal interest income.....	966.4	-5.7	-7.9	8.7	0.7
Personal dividend income.....	447.6	7.3	6.9	7.3	8.1
Personal current transfer receipts.....	1,423.1	32.1	29.0	5.1	19.3
<i>Less:</i> Contributions for government social insurance .....	804.5	3.6	6.7	5.7	19.8
<b>Equals: Personal income .....</b>	<b>9,492.8</b>	<b>97.2</b>	<b>110.4</b>	<b>107.6</b>	<b>128.9</b>
<i>Less:</i> Personal current taxes.....	988.0	-9.2	-61.7	76.0	-26.5
<b>Equals: Disposable personal income.....</b>	<b>8,504.8</b>	<b>106.6</b>	<b>172.0</b>	<b>31.6</b>	<b>155.4</b>
<i>Less:</i> Personal outlays.....	8,343.5	68.4	161.8	90.1	134.9
<b>Equals: Personal saving.....</b>	<b>161.4</b>	<b>38.0</b>	<b>10.3</b>	<b>-58.5</b>	<b>20.6</b>
<b>Addenda: Special factors in personal income:</b>					
In government wages and salaries:					
Federal pay raise .....	12.9	0.8	0.7	0.0	5.2
Reservists' pay .....	6.8	4.1	-0.9	-1.0	0.9
In supplements to wages and salaries:					
Employer contributions for social insurance .....	7.2	0.0	0.0	0.0	7.2
In contributions for social insurance:					
Changes in premium for supplementary medical insurance.....	3.7	0.0	0.0	0.0	3.2
In personal current transfer receipts:					
Social security retroactive payments .....	0.0	0.0	0.0	2.5	-2.5
Cost-of-living adjustments in Federal transfer programs .....	19.5	0.0	0.0	0.3	11.4
Earned-income tax credit.....	8.1	0.0	0.0	0.0	4.6
In personal current taxes:					
Federal tax law changes.....	-99.0	0.0	-107.5	54.7	-41.7
Refunds, settlements, and other.....	-36.5	0.0	0.0	0.0	-36.5

Note. Dollar levels are from NIPA tables 2.1 and 2.1B.  
IVA Inventory valuation adjustment  
CCAAdj Capital consumption adjustment

**Chart 3. Selected Personal Income and Saving Measures**



earned income tax credits also stepped up. In contrast, unemployment insurance benefits decreased more than in the fourth quarter.

Proprietors' income increased \$20.0 billion after increasing \$13.4 billion. The step-up mainly reflected an upturn in the commissions earned by security and commodity brokers and a smaller decrease in the commissions earned by real estate brokers.

Rental income increased \$5.4 billion after increasing \$26.0 billion. The slowdown primarily reflected an upturn in expenses. Mortgage closing costs (which are

subtracted in the calculation of rental income) decreased less than in the fourth quarter.

Personal interest income increased \$0.7 billion after increasing \$8.7 billion. The deceleration primarily reflected decreasing interest rates.

Personal current taxes decreased \$26.5 billion after increasing \$76.0 billion. The downturn largely reflected a downturn in Federal nonwithheld taxes that reflects estimates from the Treasury Department for 2004 and actual tax collections and refunds through late April.