

Boom and Bust:

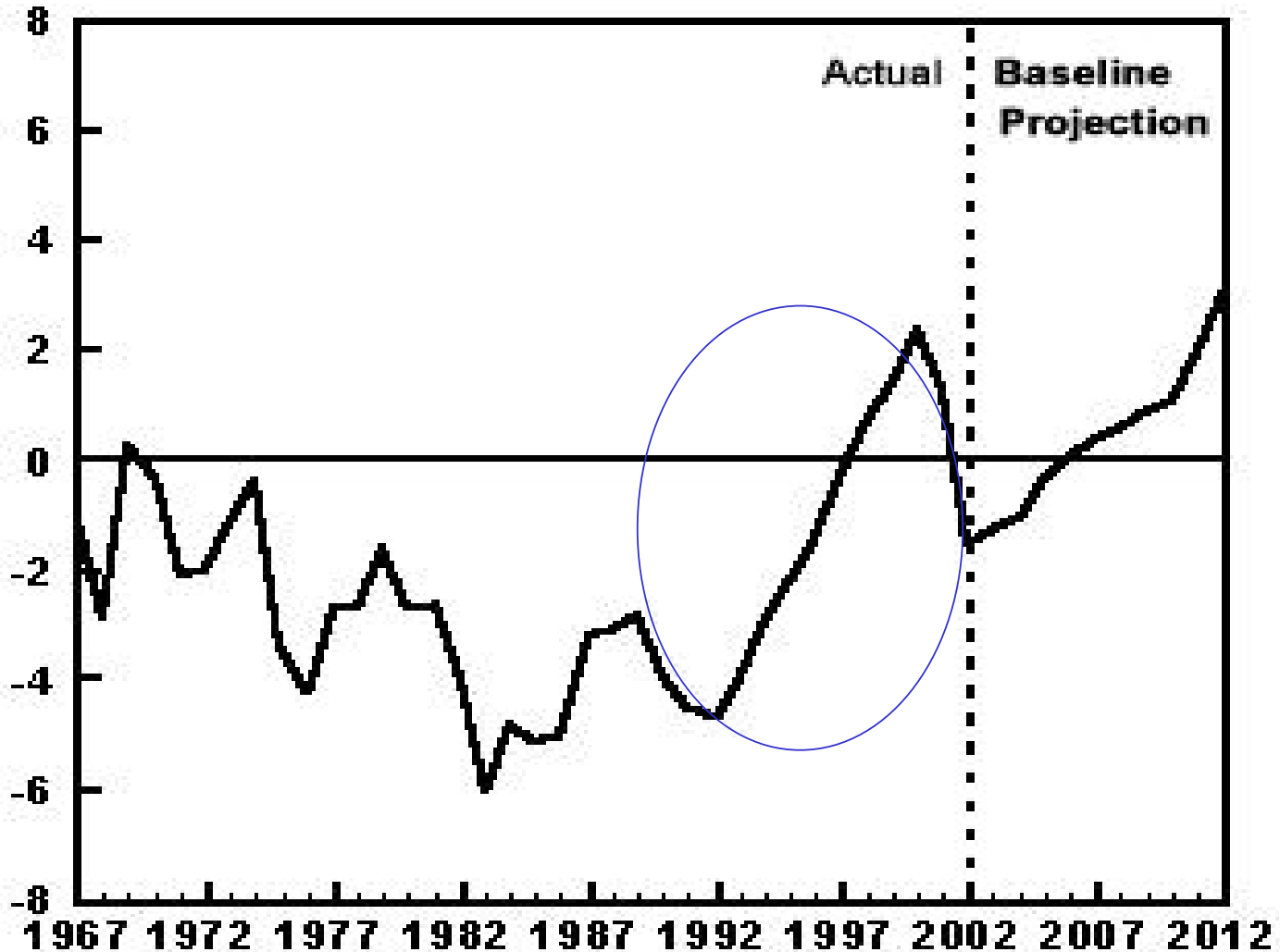
Sources of the Federal Revenue Boom of the Late 1990's and the Implications for the 2002 Revenue Shortfall

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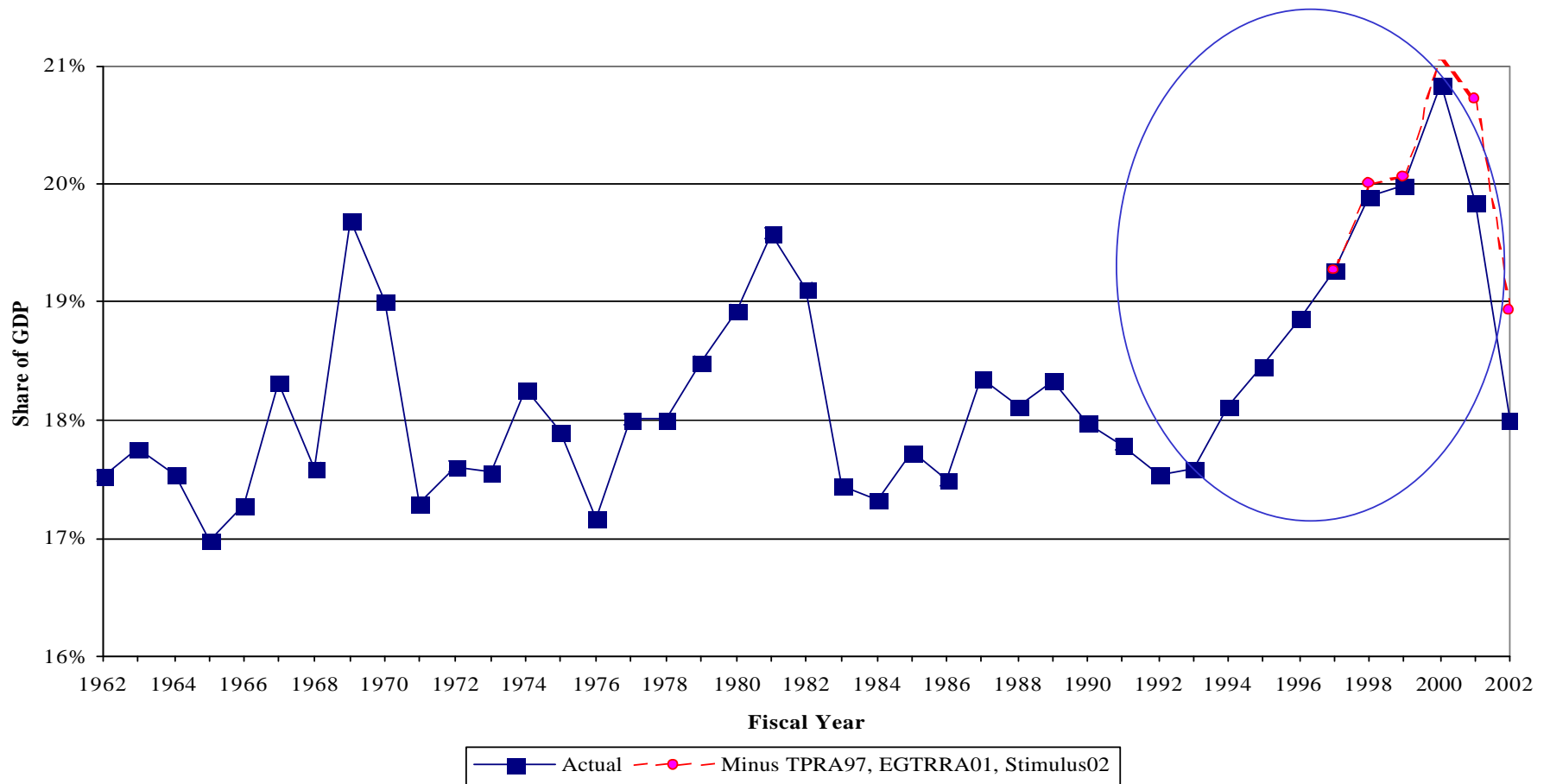
Congressional Budget Office**

**Views are my own and not CBO's

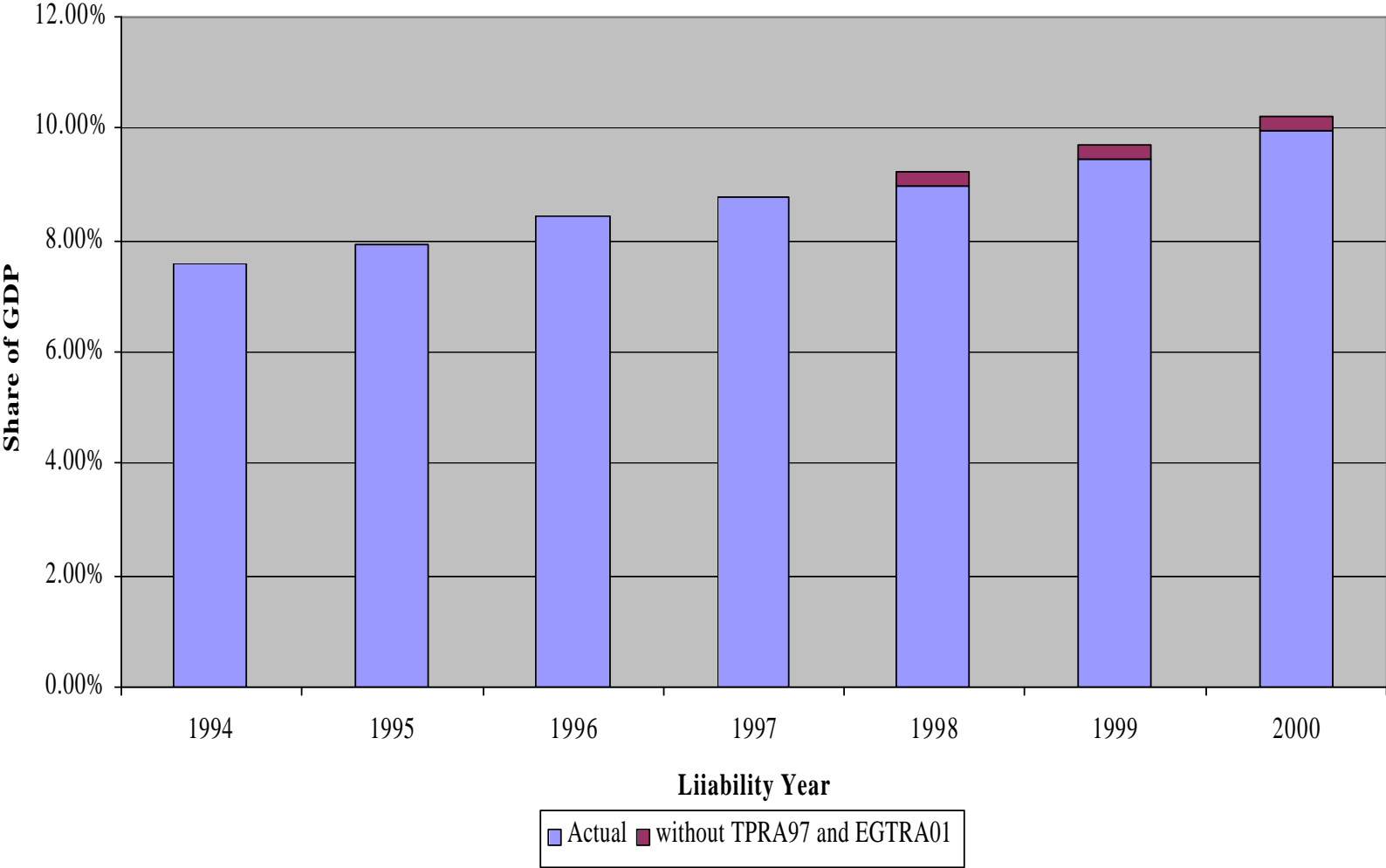
Total Deficits and Surpluses as a Share of GDP, 1967-2012
For the CBO Baseline from the August 2002 Update



Federal Receipts as A Share of GDP: 1962-2002 (2002 is Preliminary)



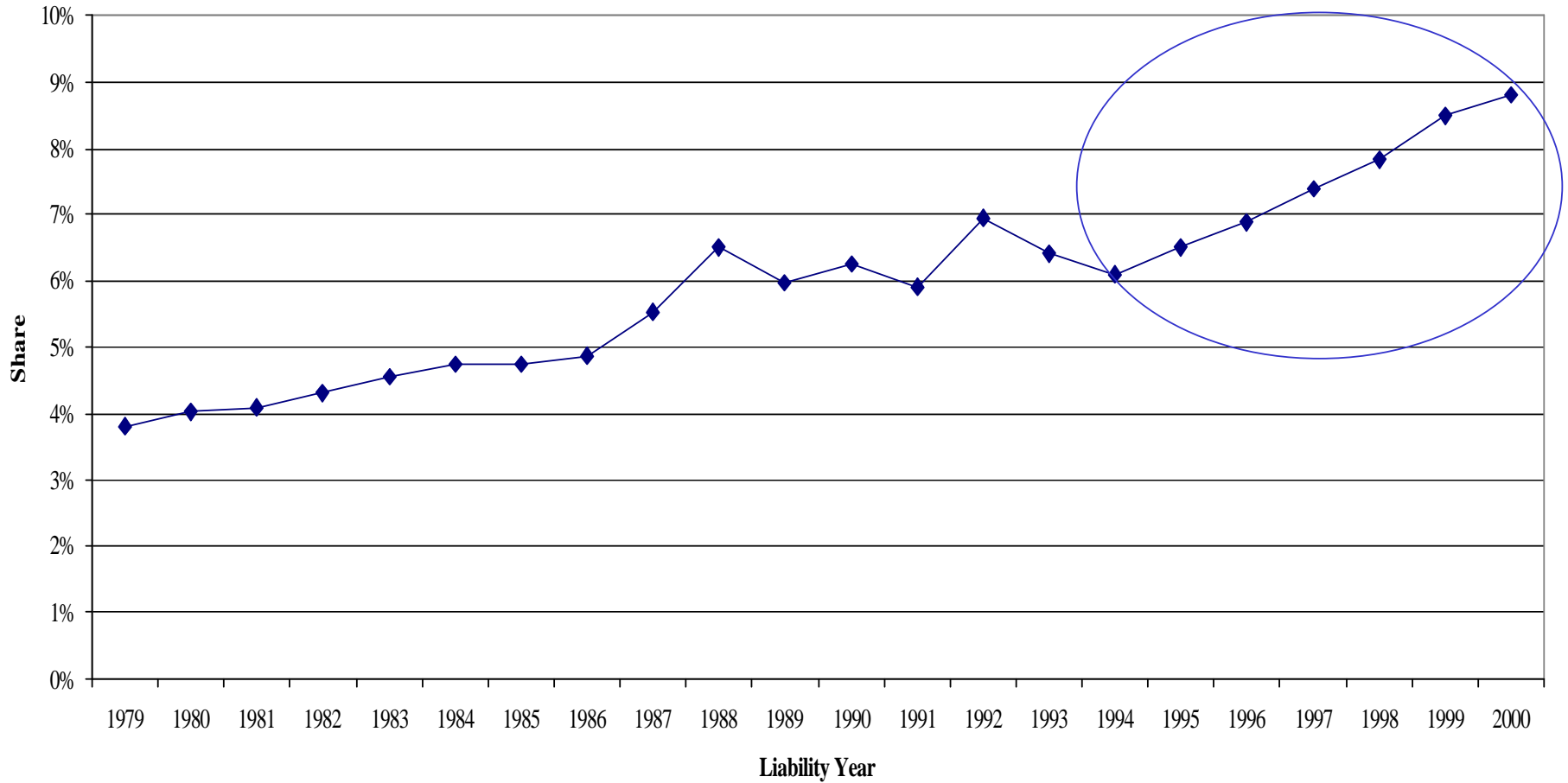
Personal Income Tax Liabilities As a Share of GDP 1994-2000



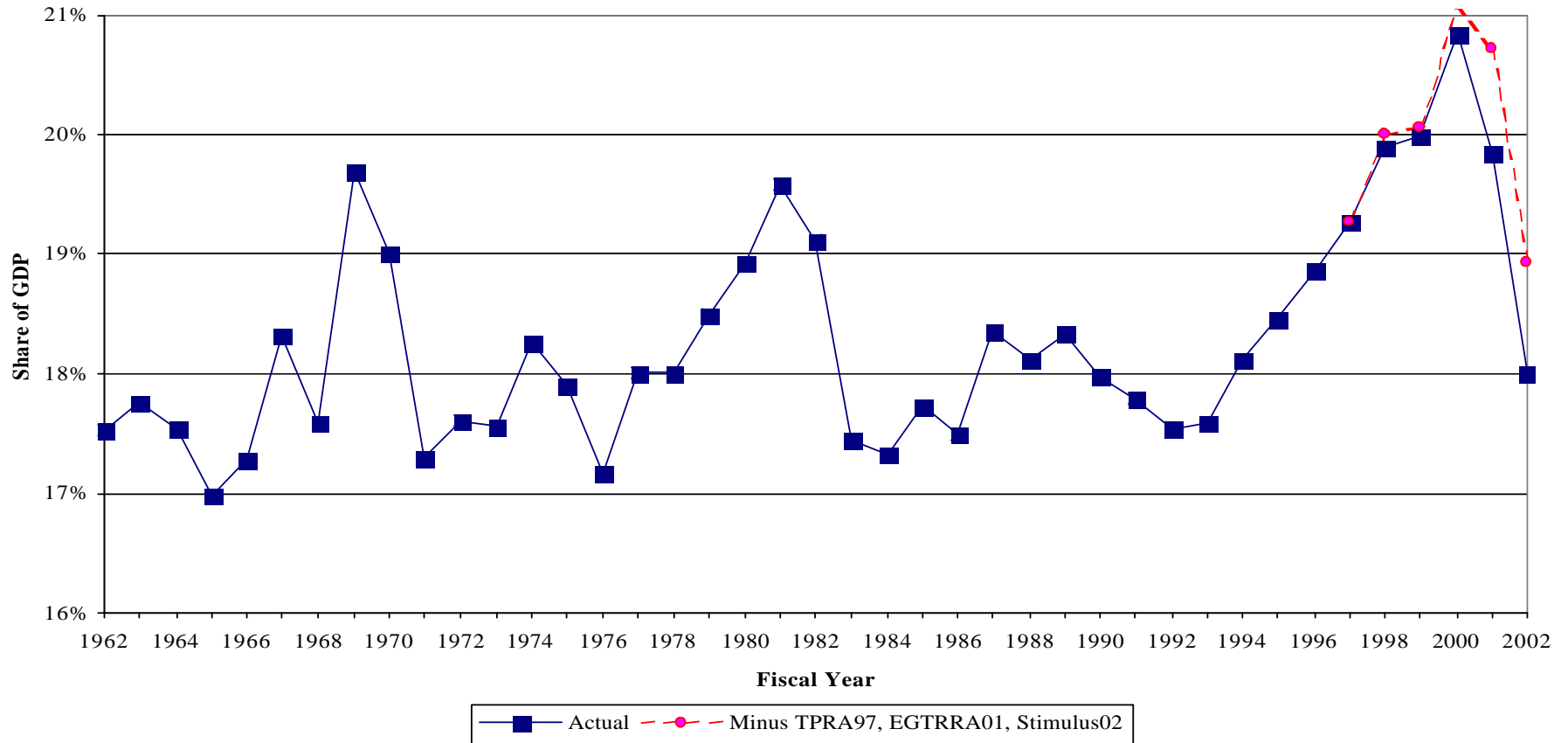
Sources of Growth of Personal Income Tax Liabilities in Excess of GDP 1994-2000

	94-95	95-96	96-97	97-98	98-99	99-00	94-00
(1) Year to Year Change Actual Tax Liability							
Actual	54	70	73	57	89	102	444
In the absence of TPRA97 changes	54	70	73	77	94	102	469
(2) Change if Liability							
Grows at the Same Rate As GDP	26	31	38	35	37	42	210
(3) Growth Of Liability in Excess of GDP = (1) - (2)	27	39	35	42	56	61	259
(4) Growth in Taxable Personal Income (TPI) 2/ in Excess of GDP Growth	20.6%	12.0%	14.3%	41.7%	-1.6%	33.3%	20.0%
(5) Growth of AGI in Excess of TPI	34.7%	56.5%	38.7%	7.7%	56.5%	16.4%	34.6%
Growth of Capital Gains in Excess of GDP	19.8%	51.6%	28.7%	11.7%	36.2%	20.0%	28.0%
Growth of Other AGI in Excess of TPI	14.9%	4.9%	10.0%	-4.0%	20.4%	-3.6%	6.6%
(6) Change in Effective Rate on Non-gains AGI = (3) - (4)	44.7%	31.5%	47.1%	50.6%	45.1%	50.4%	45.4%
Per-capita growth in TPI in excess of inflation	30.5%	20.1%	33.6%	30.3%	25.6%	28.4%	27.8%
Other Changes in Effective Rate	14.2%	11.4%	13.5%	20.3%	19.5%	21.9%	17.6%

Share of Wages for the top 0.5% of Wage Returns



Federal Receipts as A Share of GDP: 1962-2002 (2002 is Preliminary)



Personal Income Tax Liabilities As a Share of GDP 1994-2000

With Very Preliminary Estimate for 2001

