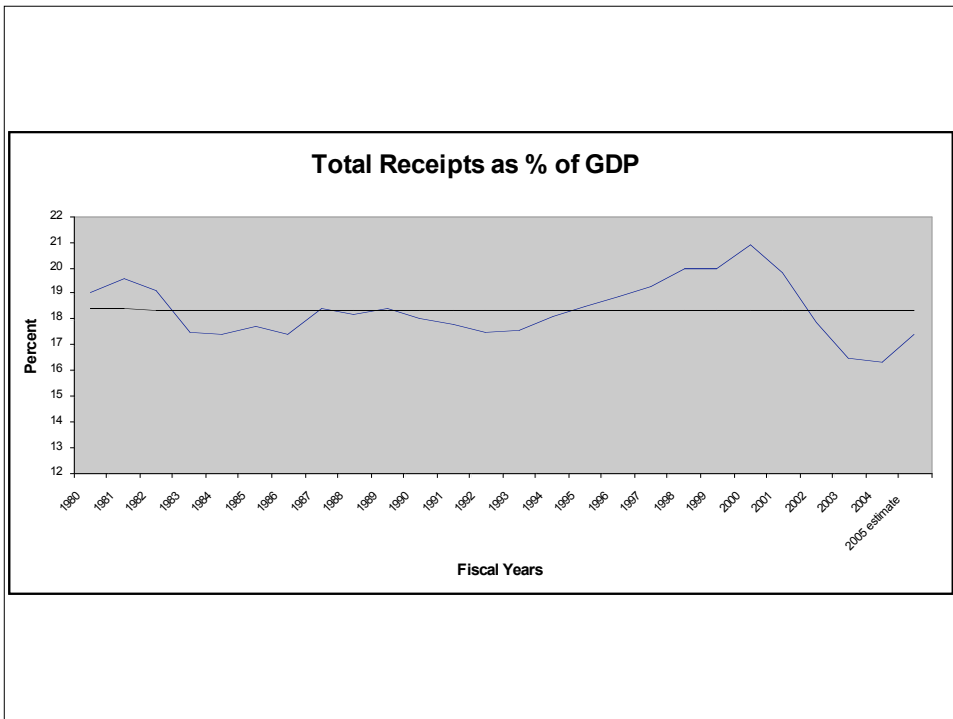
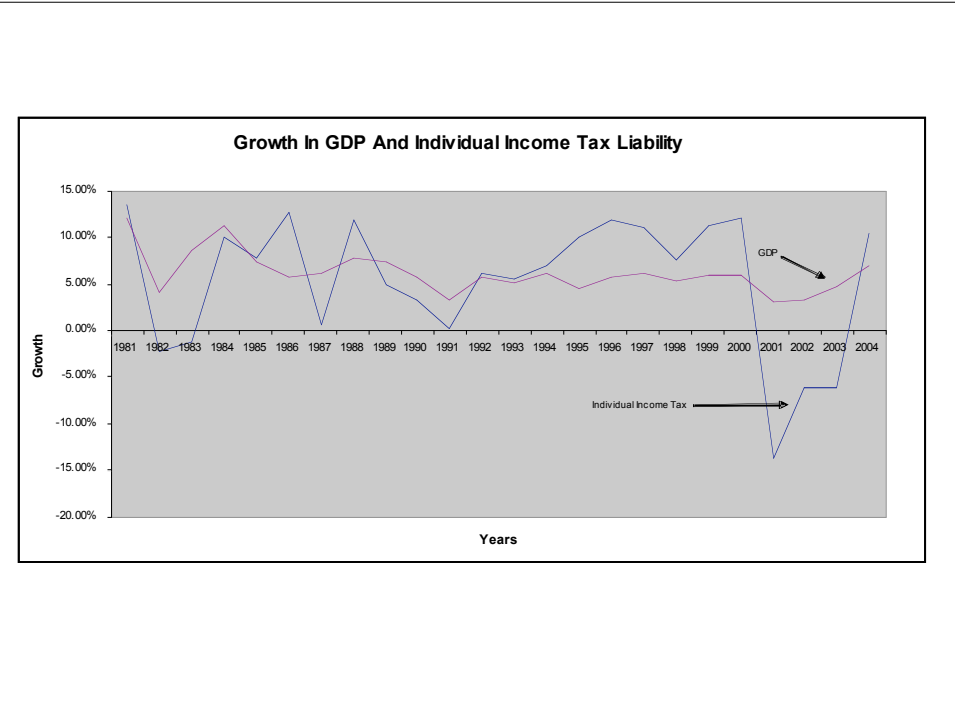
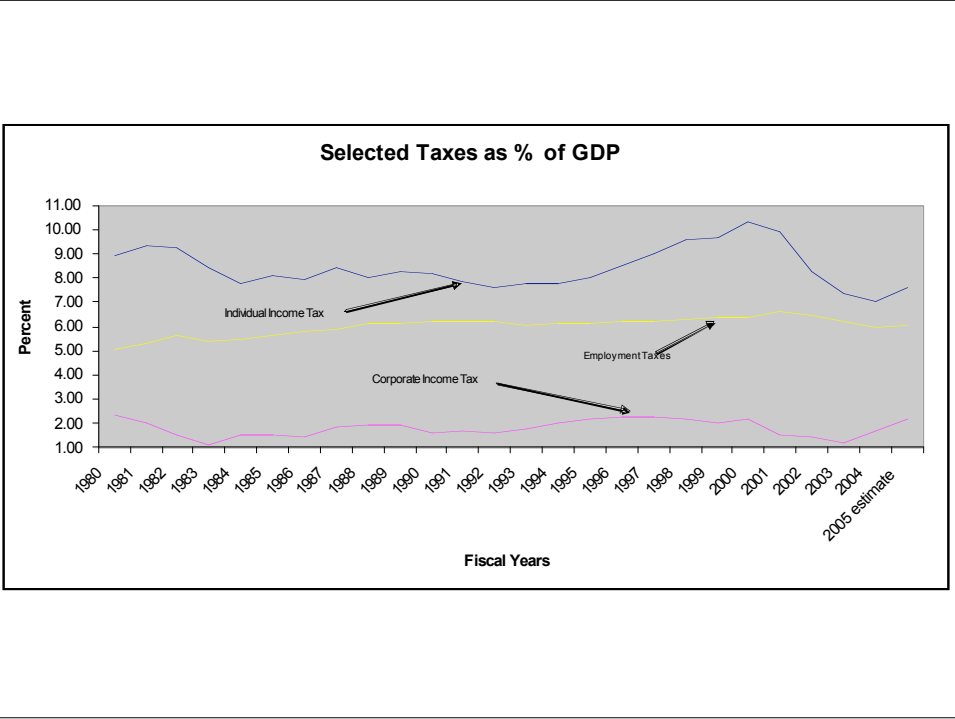
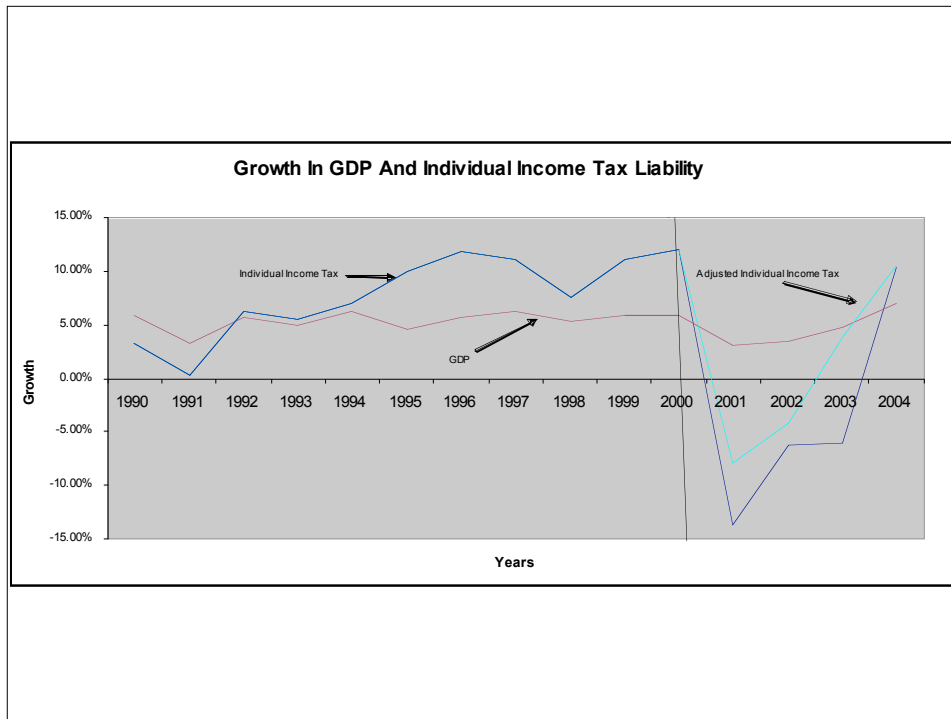


# Federal Revenue Trends

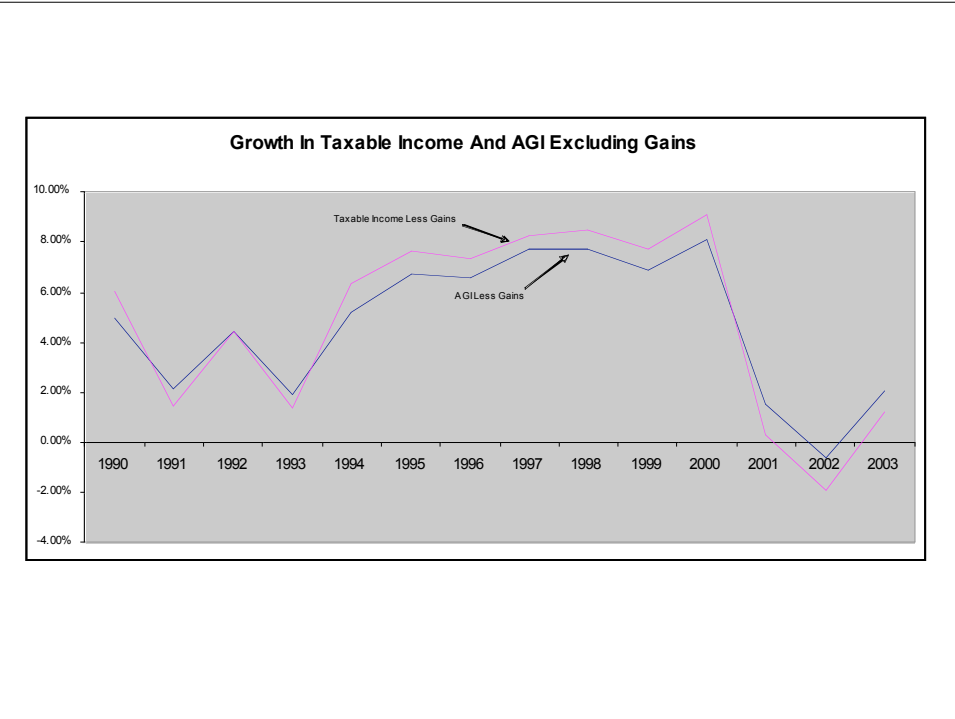
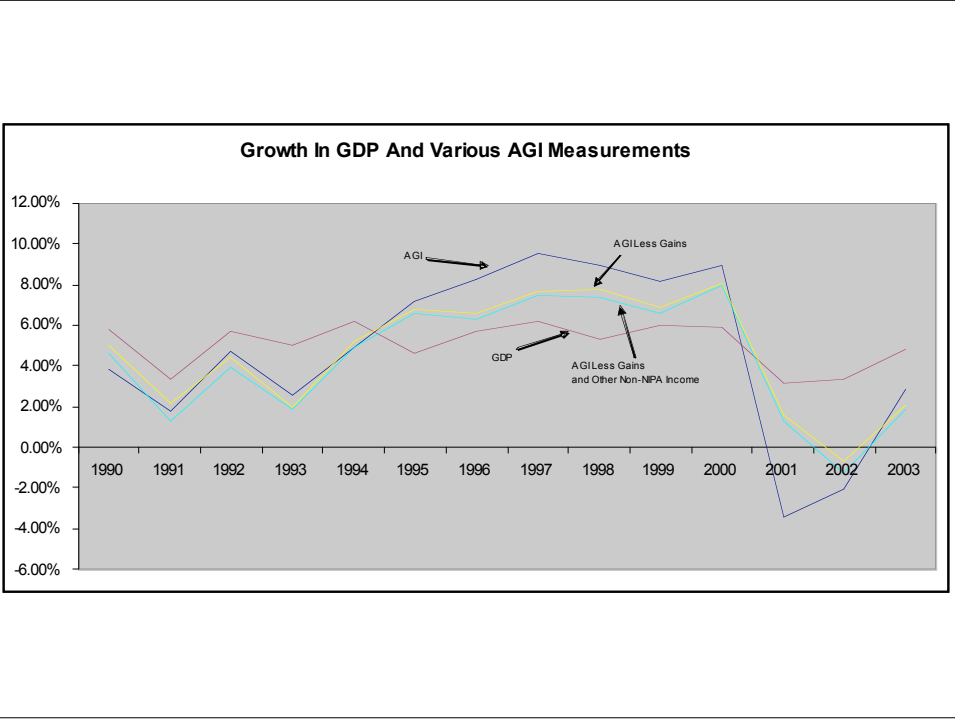


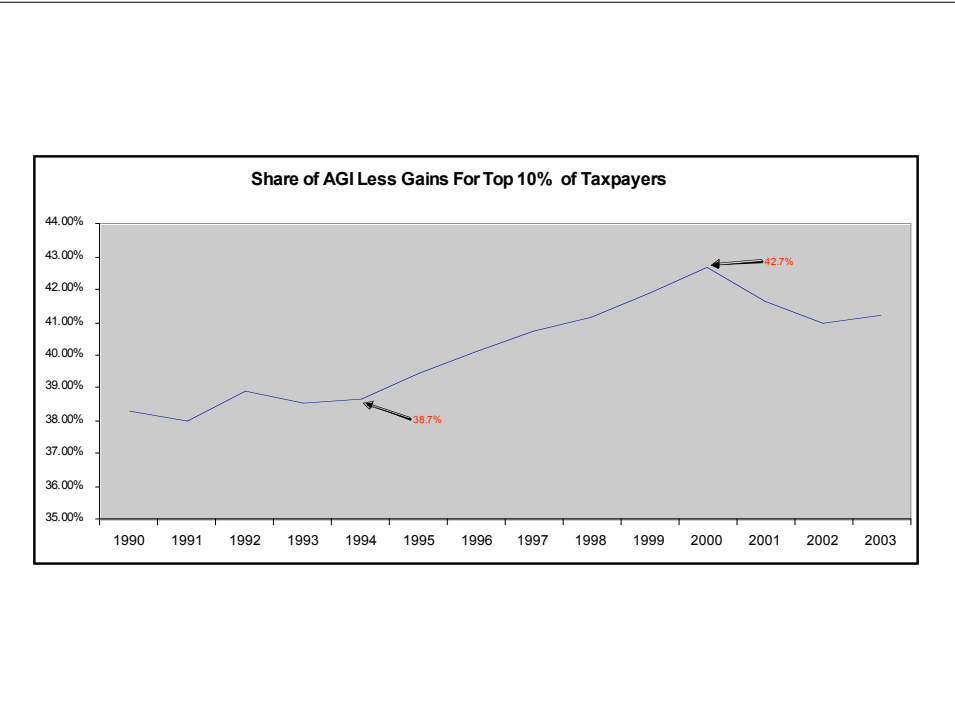
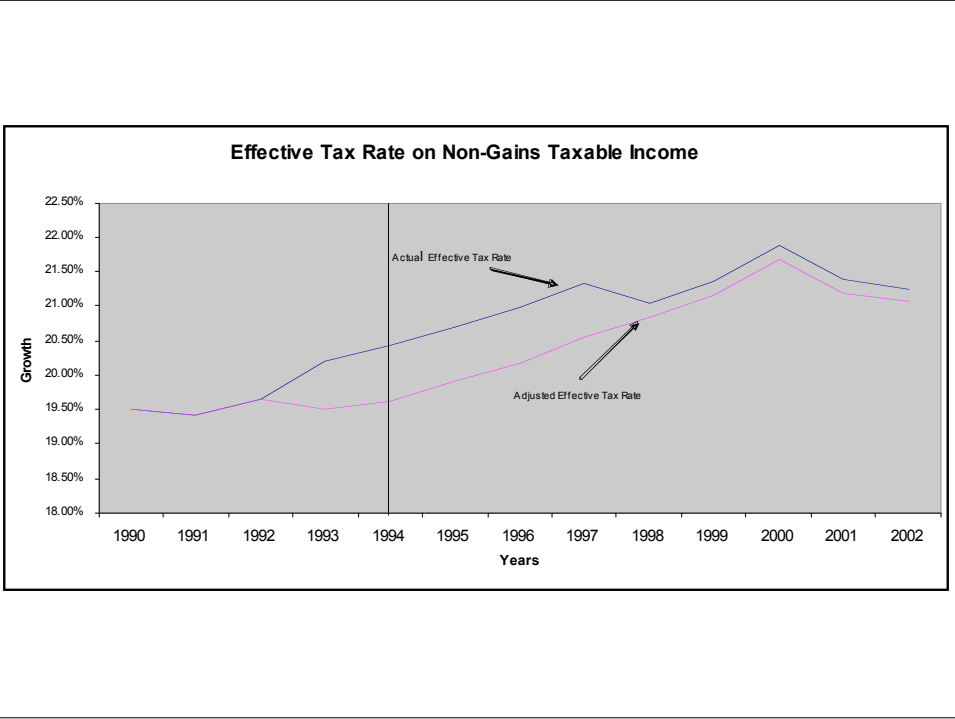


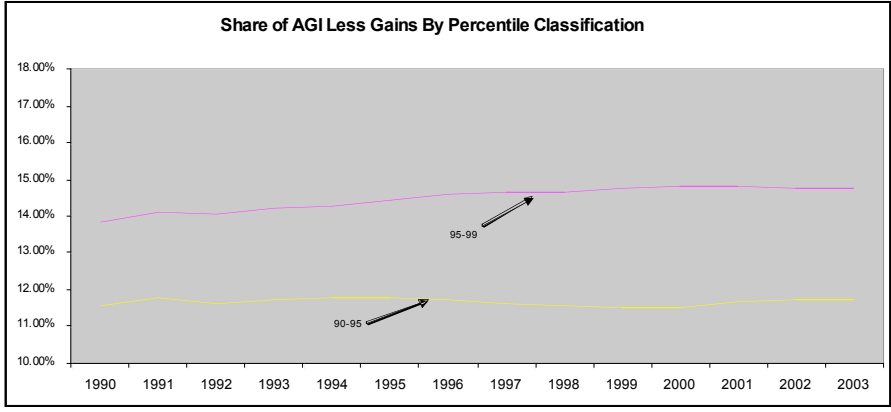
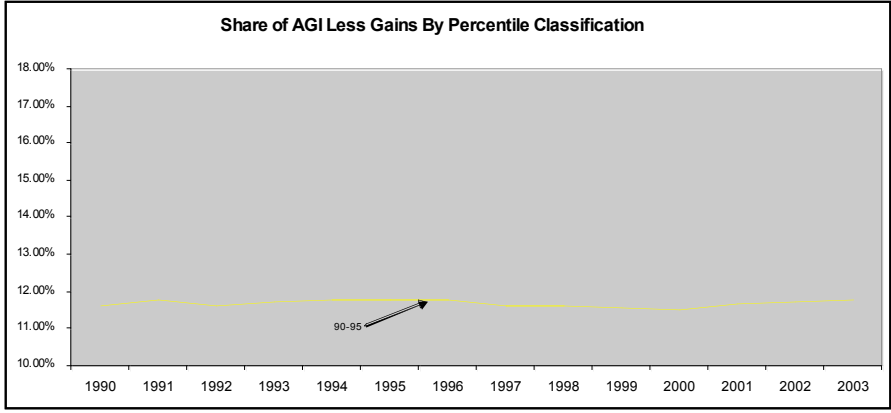


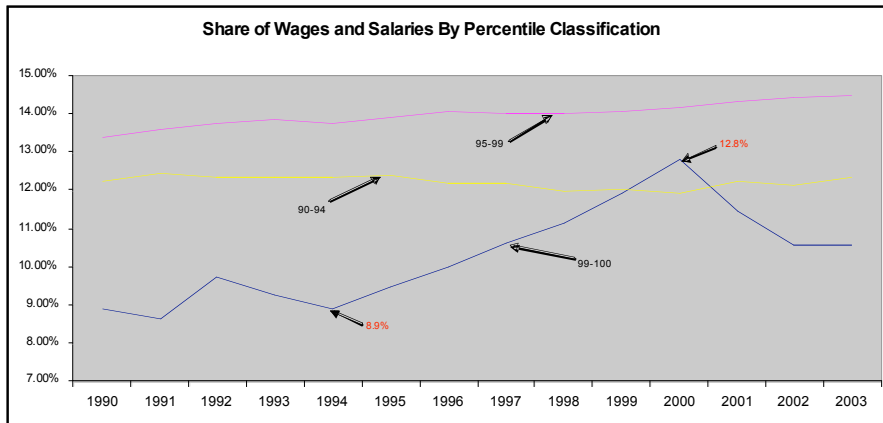
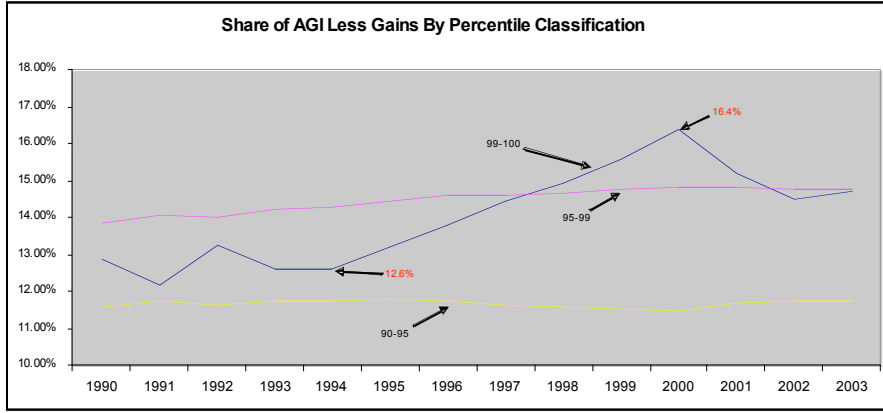
### Why Did Individual Tax Liability Grow Faster (Slower) Than GDP?

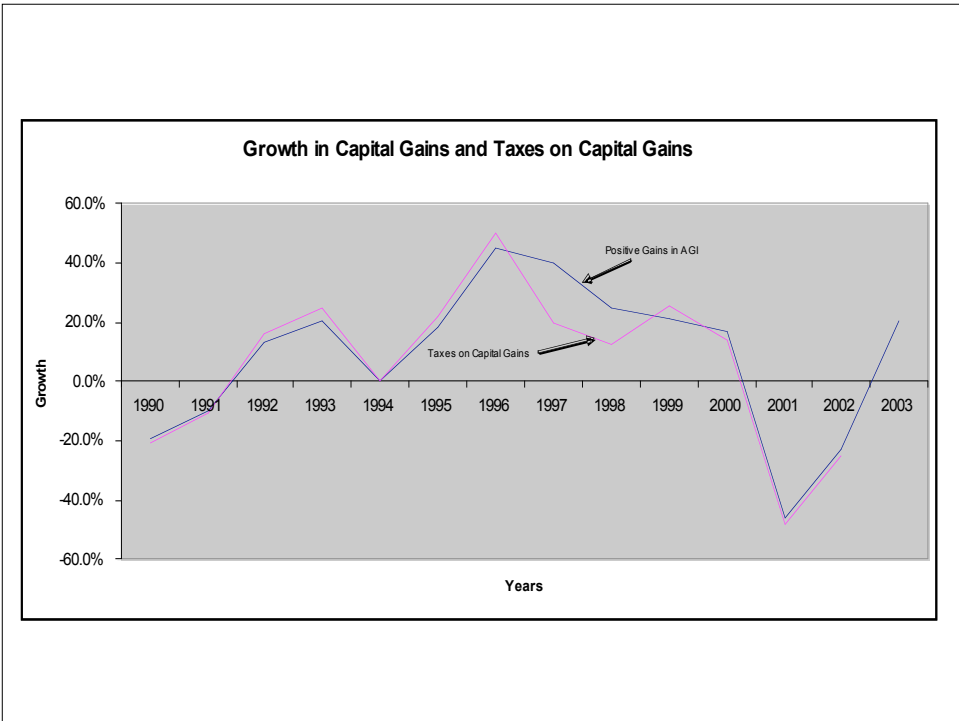
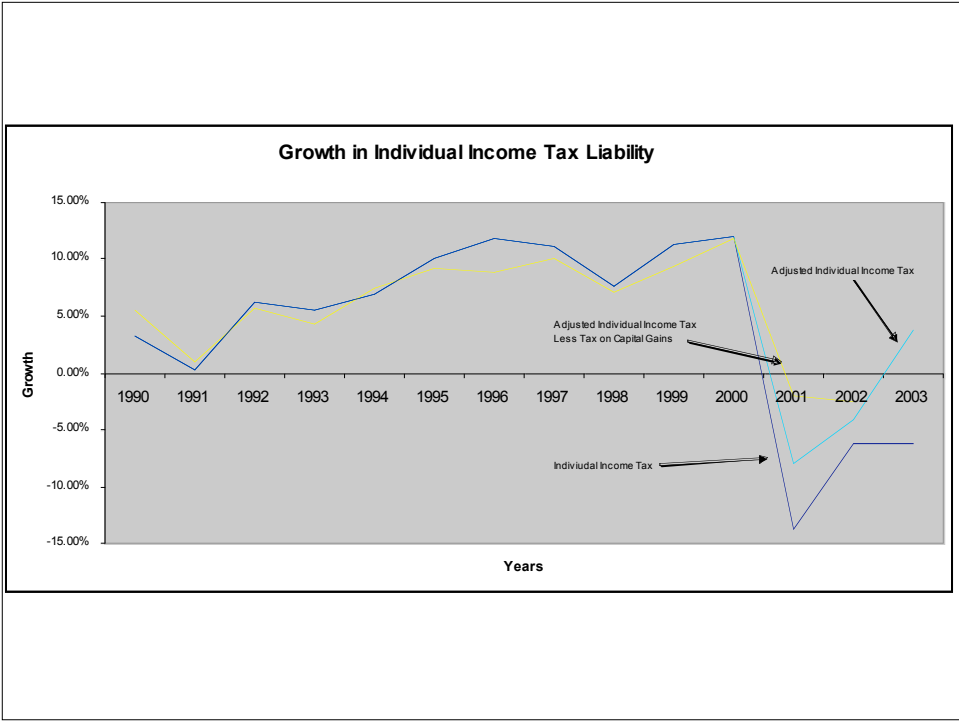
- Components of taxable personal income and AGI grew faster (slower) than GDP
- Components of AGI That Are Not Directly Measured in taxable personal income or GDP (pension and IRA distributions, taxable Social Security benefits) grew faster (slower) than GDP
- Effective tax rate on non-capital gains income increased (decreased)
- Capital gains realizations grew faster (slower) than components of taxable personal income and GDP



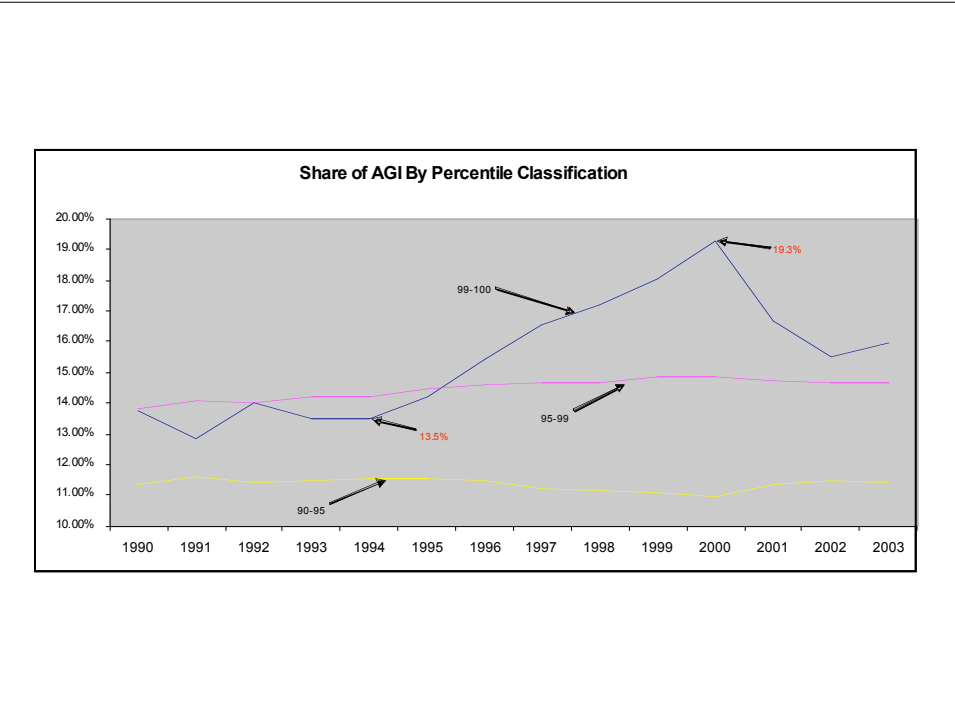
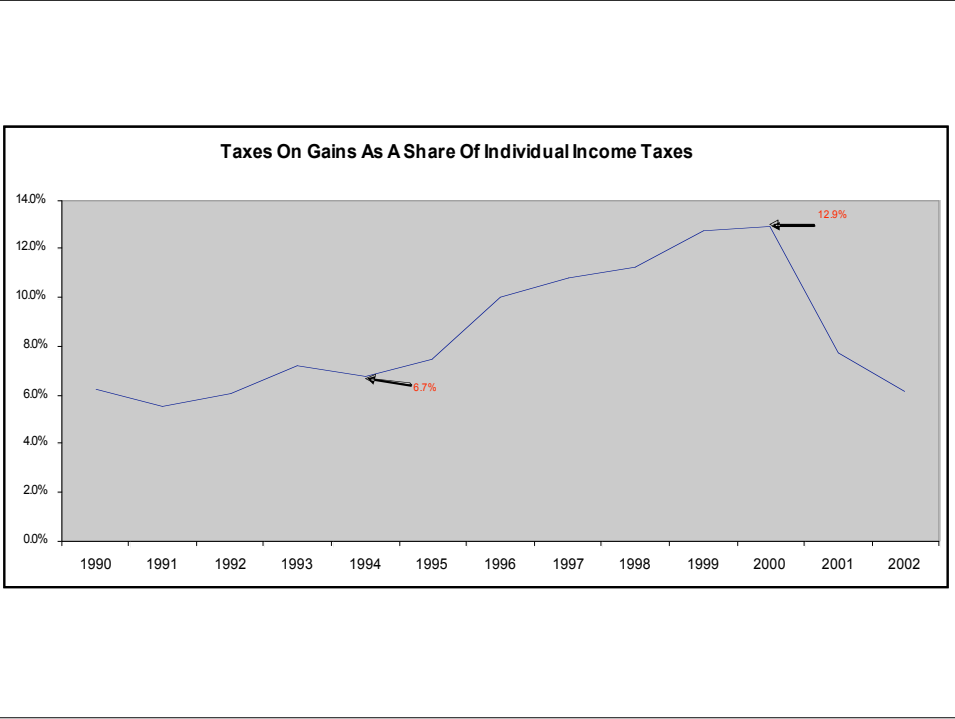


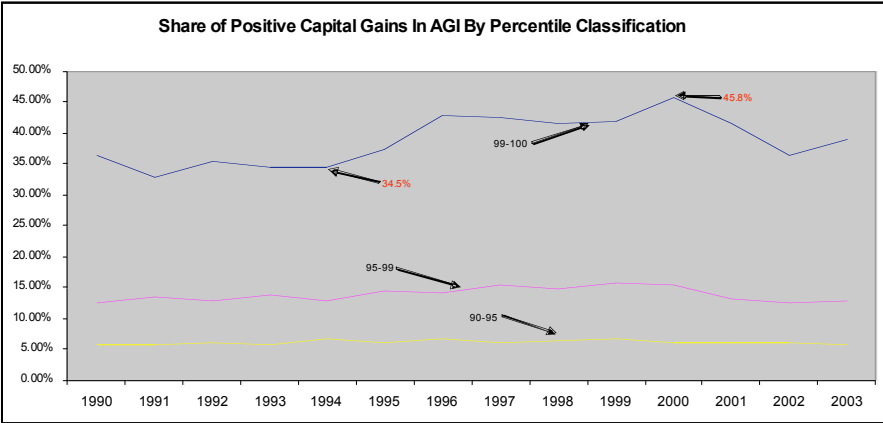
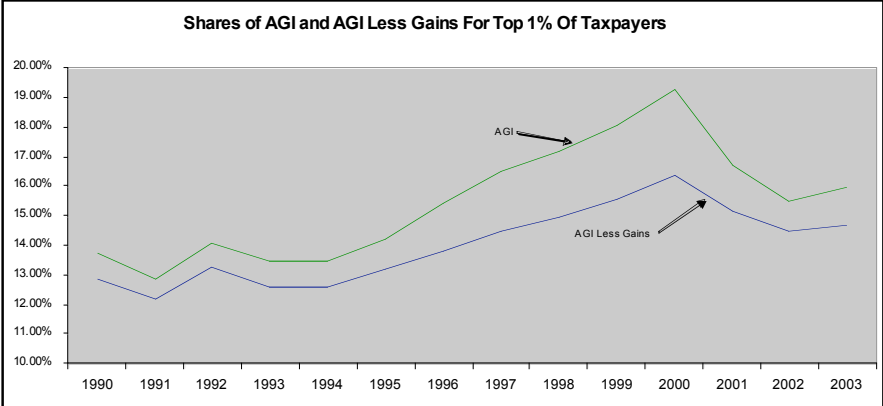


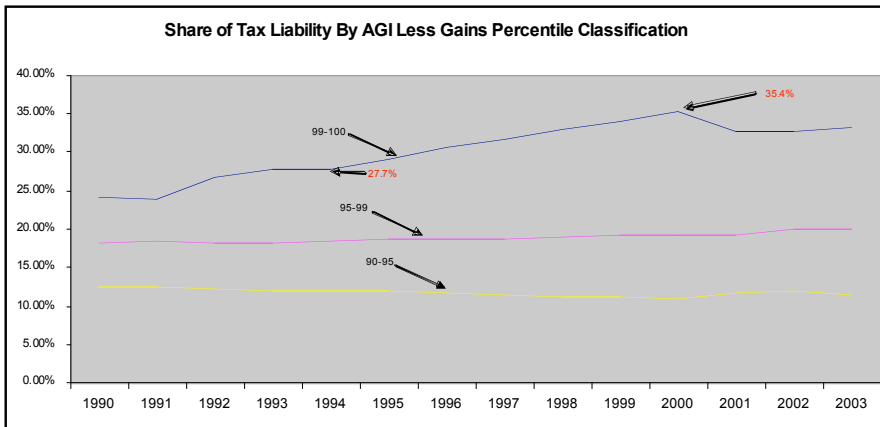
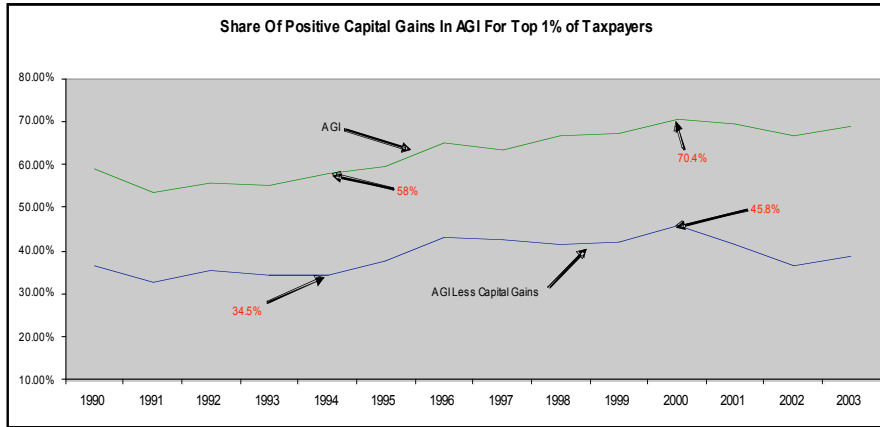












FY 2005 Revenue "Surprise"

Growth in Fiscal Year Receipts

	FY 2006 Budget Forecast January 2005	Current Estimate
Total Receipts	9%	14%
Individual Income Tax	10.5%	15%
Corporate Income Tax	19.6%	44%
Employment Taxes	5.5%	8%

Budget Forecast - January 2005

	Calendar Years								
	1996	1997	1998	1999	2000	2001	2002	2003	2004
	Share of Net Liability								
Withholding	82.4%	80.6%	81.4%	80.3%	79.4%	92.9%	92.4%	97.7%	95.0%
Final Payments	15.4%	15.8%	16.5%	17.8%	17.9%	12.8%	12.3%	12.2%	11.3%
Refunds	-14.1%	-13.5%	-15.3%	-14.9%	-14.8%	-25.0%	-22.4%	-26.9%	-21.6%

Mid-Session Review Forecast - June 2005

	Calendar Years								
	1996	1997	1998	1999	2000	2001	2002	2003	2004
	Share of Net Liability								
Withholding	82.4%	80.6%	81.5%	80.4%	79.4%	92.9%	92.3%	97.7%	90.3%
Final Payments	15.4%	15.8%	16.5%	17.7%	18.0%	12.9%	12.3%	12.3%	16.3%
Refunds	-14.1%	-13.5%	-15.3%	-14.9%	-14.7%	-25.1%	-22.5%	-27.0%	-21.7%

Annual Change In AGI, Components and Tax Liability  
And Shares of Change by AGI Less Gains Percentile Classifications

	AGI Less Gains	Wages and Salaries	Positive Gains In AGI	Tax Liability
1990-1991				
Annual Change (\$'s billions)	70.7	74.9	-12.5	0.9
Share To Percentile Class (%)				
99-100	-21.12%	-1.57%	67.74%	-108.09%
95-99	24.94%	21.41%	2.72%	177.77%
90-94	20.74%	19.91%	5.78%	64.44%
<90	75.45%	60.25%	23.76%	-34.12%
1991-1992				
Annual Change (\$'s billions)	149.8	131.4	14.6	27.7
Share To Percentile Class (%)				
99-100	38.17%	31.95%	54.51%	70.01%
95-99	12.96%	16.85%	7.03%	13.80%
90-94	8.15%	10.07%	6.41%	6.56%
<90	40.72%	41.12%	32.05%	9.63%
1992-1993				
Annual Change (\$'s billions)	69.0	86.4	24.8	25.9
Share To Percentile Class (%)				
99-100	-21.13%	-5.14%	29.55%	49.97%
95-99	23.07%	18.00%	17.90%	19.60%
90-94	17.47%	12.32%	4.79%	7.70%
<90	80.58%	74.82%	47.76%	22.74%
1993-1994				
Annual Change (\$'s billions)	186.2	134.7	0.3	31.9
Share To Percentile Class (%)				
99-100	12.62%	0.32%	98.30%	24.81%
95-99	15.61%	10.91%	-376.33%	21.22%
90-94	12.40%	12.50%	391.62%	14.26%
<90	59.37%	76.27%	-13.60%	39.72%
1994-1995				
Annual Change (\$'s billions)	254.6	174.7	26.5	53.5
Share To Percentile Class (%)				
99-100	21.96%	19.80%	54.09%	42.59%
95-99	17.07%	17.13%	22.62%	20.54%
90-94	12.29%	13.17%	2.60%	10.26%
<90	48.68%	49.91%	20.69%	26.61%
1995-1996				
Annual Change (\$'s billions)	267.4	175.4	78.4	69.3
Share To Percentile Class (%)				
99-100	22.84%	19.31%	55.20%	44.80%
95-99	16.60%	16.78%	14.00%	18.62%
90-94	10.99%	7.96%	7.85%	10.09%
<90	49.56%	55.96%	22.95%	26.50%
1996-1997				
Annual Change (\$'s billions)	323.9	237.0	110.0	71.9
Share To Percentile Class (%)				
99-100	23.16%	19.64%	41.07%	41.21%
95-99	15.14%	13.08%	17.80%	18.50%
90-94	10.04%	12.31%	5.10%	9.26%
<90	51.67%	54.97%	36.03%	31.03%
1997-1998				
Annual Change (\$'s billions)	356.0	265.8	90.4	56.2
Share To Percentile Class (%)				
99-100	20.92%	18.25%	38.27%	47.44%
95-99	15.04%	14.26%	12.32%	23.14%
90-94	10.99%	9.58%	8.23%	9.45%
<90	53.05%	57.90%	41.18%	19.97%
1998-1999				
Annual Change (\$'s billions)	354.8	252.7	85.4	87.4
Share To Percentile Class (%)				
99-100	25.06%	23.54%	43.14%	44.48%
95-99	15.93%	14.24%	20.96%	20.50%
90-94	10.79%	12.03%	7.14%	9.79%
<90	48.21%	50.19%	28.76%	25.23%
1999-2000				
Annual Change (\$'s billions)	426.0	323.7	87.8	109.6
Share To Percentile Class (%)				
99-100	26.00%	24.04%	70.52%	46.01%
95-99	15.90%	15.64%	12.81%	19.23%
90-94	10.95%	10.63%	2.51%	9.84%
<90	47.16%	49.69%	14.16%	24.92%
2000-2001				
Annual Change (\$'s billions)	94.8	109.1	-280.3	-92.6
Share To Percentile Class (%)				
99-100	-56.66%	-43.41%	51.16%	61.50%
95-99	13.25%	21.80%	17.78%	17.59%
90-94	23.75%	26.22%	5.87%	3.94%
<90	119.65%	95.38%	25.20%	16.97%
2001-2002				
Annual Change (\$'s billions)	-50.2	-5.5	-79.9	-91.0
Share To Percentile Class (%)				
99-100	96.20%	712.09%	58.95%	32.93%
95-99	19.23%	-39.20%	15.50%	13.49%
90-94	6.82%	100.16%	6.96%	9.65%
<90	-22.24%	-673.05%	18.58%	43.94%
2002-2003				
Annual Change (\$'s billions)	117.9	90.2	54.8	-49.0
Share To Percentile Class (%)				
99-100	25.08%	10.04%	51.85%	24.17%
95-99	14.24%	18.12%	13.97%	20.71%
90-94	12.38%	22.70%	3.85%	18.87%
<90	48.30%	49.14%	30.33%	36.25%