

# MID-SESSION REVIEW

BUDGET OF THE  
U.S. GOVERNMENT

FISCAL YEAR 2023

OFFICE OF MANAGEMENT AND BUDGET



THE WHITE HOUSE  
WASHINGTON



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THE DIRECTOR

EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

August 23, 2022

The Honorable Nancy Pelosi  
Speaker of the House of Representatives  
Washington, DC 20515

Dear Madam Speaker:

Section 1106 of Title 31, United States Code, requires the President to send to the Congress a supplemental update of the Budget that was transmitted to the Congress earlier in the year. The supplemental update of the Budget, commonly known as the Mid-Session Review, is enclosed.

Sincerely,

A handwritten signature in blue ink that reads "Shalanda D. Young". The signature is written in a cursive style.

Shalanda D. Young

Enclosure

Identical letter sent to the Honorable Kamala D. Harris



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### GENERAL NOTES

1. Unless otherwise noted, years referenced for budget data are fiscal years, and years referenced for economic data are calendar years.
2. All totals in the text and tables include both on-budget and off-budget spending and receipts.
3. Details in the tables and text may not add to totals due to rounding.
4. The following legislation was not enacted at the time the Mid-Session Review was prepared: (1) Public Law 117-167, which includes the CHIPS Act of 2022 (division A) and the Research and Development, Competition, and Innovation Act (division B), and is referred to as the CHIPS and Science Act in this document; (2) Public Law 117-168, the Honoring our PACT Act of 2022; and (3) Public Law 117-169, referred to as the Inflation Reduction Act in this document.
5. Web address: <https://budget.gov>





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# INTRODUCTION

When the President took office, the United States was facing the most severe economic downturn since the Great Depression. In January 2021, some 10 million Americans were unable to find full-time work. The unemployment rate stood at 6.4 percent. Factoring in workers who dropped out of the labor force or couldn't find full-time work, the unemployment rate was closer to 11 percent. More than 18 million Americans were receiving unemployment benefits. More than half of the unemployed had been without a job for more than 15 weeks. Thousands of small businesses had shuttered.

From day one, the President began taking bold and immediate action—not only to address the immediate challenges facing the American people, but to begin rebuilding our economy from the bottom up and middle out. The President championed and signed into law the American Rescue Plan, which delivered urgently needed relief to families and small businesses, fueled record-breaking economic growth and job creation, and supported an unprecedented vaccination effort. He worked with members of both parties in Congress to secure passage of the Bipartisan Infrastructure Law<sup>1</sup>—a once-in-a-generation investment in America's infrastructure and competitiveness that is creating good-paying union jobs across the country, rebuilding roads and bridges, eliminating lead pipes, and expanding access to high speed internet. He

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<sup>1</sup> Infrastructure Investment and Jobs Act (Public Law 117-58)

delivered critical investments in America's competitive edge and American manufacturing through the CHIPS and Science Act, and signed into law the Inflation Reduction Act, which will lower the cost of prescription drugs, health care, and energy for families.

Thanks to the President's leadership and economic strategy, the American economy has recovered faster than many other advanced economies around the world. Today, the unemployment rate has fallen to just 3.5 percent—matching its lowest level in 50 years. The economy has recovered all of the jobs that were lost during the pandemic, with a total of more than 9.5 million jobs added since the President took office. A record high 22 states have unemployment rates at or below 3 percent. Fourteen states are at their lowest unemployment rates ever recorded. Last year saw the strongest economic growth in nearly 40 years. Household balance sheets and business investment are strong. The Federal deficit has declined sharply.

The historic strength of America's recovery means that our economy is uniquely positioned to tackle a range of global economic challenges—from global inflation to the economic fallout from Putin's war—from a position of strength. The President's top economic priority is to cut costs for families and transition from what has been an historic economic recovery to steady and stable growth that works for all Americans—without giving up the economic gains that we have made over the last 18 months.

## MID-SESSION UPDATE

The Mid-Session Review (MSR) updates the Administration's estimates for receipts, outlays, and the deficit for changes that have occurred since the President's 2023 Budget (Budget) was completed in March. Legislative changes include the enactment of full-year appropriations for 2022, supplemental appropriations to provide security assistance to Ukraine, and the Bipartisan Safer Communities Act.

The CHIPS and Science Act, Honoring our PACT Act, and Inflation Reduction Act were not enacted at the time MSR estimates were finalized. MSR also includes reestimates for revised economic assumptions and technical factors.

The deficit for 2022 is now projected to be \$1,032 billion, \$383 billion lower than the

\$1,415 billion deficit projected in March (see Table 1). As a share of GDP, the 2022 deficit is projected to be 4.2 percent, down from 5.8 percent in March. The 2022 deficit estimate in MSR is \$1.7 trillion below the deficit reported for 2021—falling 8.2 percentage points as a share of GDP, and representing the single largest nominal decline in the Federal deficit in American history. Based on historical patterns, it is likely that the year-end deficit for 2022 will end up even lower than the MSR estimate.

Going forward, the MSR estimates that deficits will be \$353 billion lower over the 10-year budget horizon relative to the Budget. Factors contributing to this reduction include an increase in receipts due to changes in the

economic forecast and higher than anticipated 2022 collections, and an estimated net decrease in outlays for Medicare and Medicaid due to revised technical reestimates. These factors more than offset increased estimates in outlays, particularly in Social Security and net interest on the debt.

Relative to the MSR baseline—which includes updates for enacted legislation, economic revisions, and technical reestimates—the President’s policies would reduce deficits by \$2.6 trillion over the 10-year window.<sup>2</sup>

<sup>2</sup> Baseline deficits over the 10-year window increased by \$1.2 trillion since the Budget was prepared, primarily due to the enactment of full-year appropriations for 2022 and emergency supplemental appropriations.

**Table 1. CHANGES IN DEFICITS FROM THE BUDGET**

(In billions of dollars)

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2023– 2027	2023– 2032
2023 Budget deficit .....	1,415	1,154	1,201	1,330	1,328	1,352	1,533	1,443	1,614	1,682	1,784		
Percent of GDP .....	5.8%	4.5%	4.5%	4.8%	4.6%	4.5%	4.9%	4.4%	4.7%	4.7%	4.8%		
Enacted legislation: <sup>1</sup>													
Consolidated Appropriations Act, 2022 ..	58	22	9	4	2	1	1	1	*	*	*	37	39
Additional Ukraine Supplemental Appropriations Act, 2022 .....	19	10	4	2	1	1	1	1	*	*	*	18	20
Other enacted legislation <sup>2</sup> .....	9	4	1	1	-21	-4	1	1	4	2	3	-19	-8
Debt service .....	*	3	4	4	4	4	4	4	4	4	5	19	40
Subtotal, enacted legislation .....	86	39	17	11	-14	2	6	6	9	7	7	55	91
Economic and technical reestimates:													
Receipts .....	-504	-94	-117	-141	-171	-203	-235	-261	-279	-299	-317	-726	-2,117
Outlays:													
Discretionary programs .....	-85	10	-10	15	16	13	2	1	-*	-1	-2	44	43
Mandatory:													
Social Security .....	-3	27	51	58	61	64	66	69	71	74	76	260	616
Refundable premium tax credit and cost-sharing reductions .....	10	8	6	7	7	8	7	8	9	10	10	37	81
Supplemental Nutrition Assistance Program .....	*	17	5	7	6	6	7	7	7	7	5	41	74
Earned Income Tax Credit .....	-2	1	-3	-4	-4	-4	-4	-3	-2	-1	-1	-14	-25
Outer Continental Shelf (OCS) and land management receipts .....	-3	-4	-3	-2	-2	-2	-2	-2	-2	-2	-2	-14	-25
Military retirement .....	-1	1	2	2	2	2	2	2	2	2	3	9	21
Commodity Credit Corporation .....	-1	-2	-3	-*	*	2	7	8	3	1	1	-2	17
Medicaid .....	24	8	-3	-1	-3	-2	-2	-4	-3	-3	-3	-1	-16
Student loans and financial assistance .....	20	-1	-1	-1	-2	-2	-2	-2	-3	-3	1	-7	-16
Strategic Petroleum Reserve (and related accounts) .....	-12	-5	6	6	3	1	*	*	-*	-*	2	12	14
Medicare .....	-9	-5	-5	-1	-4	-1	-2	-2	2	6	8	-16	-5
Other .....	13	-14	17	1	-4	-1	3	9	8	8	7	-1	33
Total mandatory .....	36	30	70	71	62	71	79	88	93	97	106	305	768

**Table 1. CHANGES IN DEFICITS FROM THE BUDGET—Continued**

(In billions of dollars)

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2023– 2027	2023– 2032
Net interest <sup>3</sup> .....	83	161	150	129	107	90	72	58	42	31	21	636	861
Subtotal, outlays .....	35	201	210	214	185	174	153	147	134	127	125	985	1,672
Subtotal, economic and technical reestimates .....	-469	107	93	73	14	-29	-82	-114	-145	-172	-192	259	-444
Total, changes .....	-383	146	111	84	*	-27	-76	-107	-136	-164	-184	315	-353
Mid-Session Review deficit .....	1,032	1,300	1,312	1,414	1,328	1,325	1,457	1,336	1,478	1,518	1,600		
Percent of GDP .....	4.2%	4.9%	4.8%	5.0%	4.5%	4.3%	4.5%	4.0%	4.2%	4.1%	4.2%		

Note: negative figures represent higher receipts or lower outlays.

\*\$500 million or less.

<sup>1</sup> Mid-Session Review reflects enacted legislation through Public Law 117–159, the Bipartisan Safer Communities Act, which was signed into law on June 25, 2022.

<sup>2</sup> Includes outlay and receipt effects.

<sup>3</sup> Includes debt service on all reestimates.



# ECONOMIC ASSUMPTIONS

Producing an 11-year economic forecast involves a large degree of uncertainty. That is particularly true during periods like the one we face now, which has been marked by significant food and energy disruptions due to Russia’s invasion of Ukraine and continuing supply chain and other impacts of the COVID-19 pandemic. It is thus not surprising that the trajectory of the economy has diverged from many market-based and professional forecasts from early 2022, including some components of the economic assumptions underly-

ing the 2023 Budget, which were finalized in November 2021.

Based on data through June 9, the economic assumptions in the Mid-Session Review (MSR) of the 2023 Budget reflect an updated trajectory for the near-term economy, including revisions to gross domestic product (GDP) growth, inflation, and interest rates. However, the long-run economic forecast remains broadly similar to the one underpinning the 2023 Budget.

## RECENT DEVELOPMENTS

The economy in the first quarter of 2022 was disrupted by the Omicron variant, pandemic-driven supply-chain disruptions, and the significant economic impacts from Russia’s war with Ukraine. Despite the strength of the labor market and robust consumer spending, quarter-over-quarter real GDP declined by 1.6 percent (annualized) in 2022:Q1, accounted for in large part by a negative contribution from net exports. While U.S. consumer demand for domestic services contributed positively to GDP, it was more than offset by softer spending on domestic goods and a large increase in demand for imported goods. Increased business fixed investment, which grew at 10.0 percent (annualized), helped to buoy GDP growth, but fixed investment was offset by a decline in inventory investment, which fell from its rapid rate of increase in 2021:Q4. Lastly, government spending from the American Rescue Plan Act (ARPA) began to expire or taper off, especially at the federal level where spending decreased 6.8 percent (annualized), subtracting 0.5 percentage points from GDP growth.

Additionally, the first quarter decline in real GDP can be viewed in context of a 1.8 percent (annualized) increase in real gross domestic income (GDI) during the same period.<sup>1</sup> This

gap between GDP and GDI, known as the “statistical discrepancy,” has become increasingly negative since 2020:Q3 and reached a historic low of –3.4 percent of GDP in 2022:Q1. Another measure of output growth is maintained officially by the Bureau of Economic Analysis and averages the two measures (GDP and GDI), thereby incorporating information from both the income and expenditure sides of the national accounts. This measure was essentially unchanged between 2022:Q1 and the previous quarter (a 0.1 percent increase), providing a point of contrast to the negative GDP growth realized during that period.

The persistence of pandemic-related supply-side issues, as well as food and energy disruptions resulting from Russia’s war in Ukraine, have contributed to elevated inflation. As such, headline Consumer Price Index (CPI) reached 9.0 percent for the 12 months through June 2022. Food and energy alone account for more than half of inflation experienced in the first half of 2022.

Elevated inflation and tightening in monetary policy has caused financial markets and professional forecasters alike to revise upwards estimates for interest rates, particularly for 2022 and 2023. As of the June meeting of the Federal Open Markets Committee (FOMC), the median committee member now projects a federal funds rate of 3.4 percent by the end of 2022, up from a median forecast of 0.9 percent from their December 2021 meeting.

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<sup>1</sup> In theory GDP and GDI are equivalent, given that total income should equal total spending. In practice, however, the two measures can vary slightly because of differences in timeliness and underlying data sources. Both are often revised with substantial lags.

Combatting inflation is the President's top economic priority, and the United States is well-positioned to meet this challenge from a position of strength. Real economic activity has surpassed and remains above pre-pandemic levels. Additionally, as of July 2022, the economy has now recovered all of the jobs lost during the pandemic, with an increase of more than 9.5 million jobs since January 2021. The

unemployment rate has returned to near pre-pandemic levels, holding steady at 3.6 percent during 2022:Q2. However, the labor force participation for prime-aged workers (age 25-54) remains slightly below its pre-pandemic level (82.4 percent in 2022:Q2 as compared to 82.9 percent in 2020:Q1), suggesting that there may still be additional room for improvement in labor supply.

## ECONOMIC PROJECTIONS

The Administration's MSR forecast is based on information available as of June 9, and, like the Budget's economic assumptions, assumes that the President's proposals will be enacted. Note that due to the timing of the MSR forecast, these projections do not include either the May, June, or July CPI releases, as well as the more recent advance GDP release for Q2. The projections for a set of key variables can be found in Table 2.

**Real Gross Domestic Product:** Real GDP growth is expected to be 1.4 percent (fourth-quarter-over-fourth-quarter) in 2022 and 1.8 percent in 2023. Growth rates are expected to increase during the medium-term of the forecast as GDP growth is projected to average 2.0 percent between 2025-2028, rising to 2.3 percent in the long term (2031-2032), in part reflecting the effects of the President's policies.

**Inflation:** The MSR projection for CPI inflation in 2022 is 6.6 percent on a fourth-quarter-over-fourth-quarter basis. CPI inflation is then projected to fall to 2.8 percent (fourth-quarter-over-fourth-quarter) in 2023, before reaching

a long-run rate of 2.3 percent over the remainder of the Budget window.<sup>2</sup>

**Unemployment:** The unemployment rate is expected to average 3.7 percent during 2022 and to average a long-run level of 3.8 percent during 2024 and beyond. These projections are similar to those underlying the 2023 Budget.

**Interest Rates:** Following the June FOMC meeting, the median FOMC member now expects additional interest rate increases in 2022 beyond those projected earlier in the year. The MSR projections for 91-day Treasury Bills have been revised upwards relative to the Budget, forecasting an annual average of 1.6 and 3.0 percent in 2022 and 2023, respectively. Likewise, the 10-year Treasury rate has also been revised upwards slightly over the near term. Over the long run, however, projections for both interest rates remain relatively unchanged.

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<sup>2</sup> Note that the Federal Reserve targets 2.0 percent inflation in the price index for personal consumption expenditures (PCE), not the CPI. Over the long run, PCE inflation tends to be about 0.25 to 0.30 percentage points less than CPI inflation, so the Administration's forecast is consistent with the Federal Reserve's target.

## FORECAST COMPARISONS

At the time of its finalization on June 9, the Administration's Mid-Session Review forecast was broadly consistent with forecasts by the Blue Chip panel of private professional forecasters and the FOMC. The most recent

Congressional Budget Office (CBO) forecast, however, was produced several months before the MSR forecast, and thus differs from the MSR in several places due to differences in available information. Additional differences



**Table 2. ECONOMIC ASSUMPTIONS<sup>1</sup>**

(Calendar years, Dollar amounts in billions)

	Actual 2021	Projections										
		2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
<b>Gross Domestic Product (GDP):</b>												
Percent Change, Fourth-Quarter-over-Fourth-Quarter:												
Current Dollars .....	11.8	7.7	4.4	4.1	4.1	4.1	4.1	4.2	4.3	4.4	4.4	4.4
Real, Chained (2012) Dollars .....	5.5	1.4	1.8	2.0	2.0	2.0	2.0	2.1	2.2	2.3	2.3	2.3
Chained Price Index (2012=100) .....	5.9	6.3	2.6	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1	2.1
<b>Incomes, Billions of Current Dollars:</b>												
Domestic Corporate Profits .....	2,314	2,431	2,491	2,379	2,408	2,500	2,618	2,736	2,859	2,998	3,156	3,319
Employee Compensation .....	12,599	13,775	14,541	15,251	15,940	16,649	17,390	18,172	19,004	19,888	20,820	21,797
Wages and Salaries .....	10,344	11,373	11,990	12,574	13,141	13,724	14,330	14,969	15,651	16,377	17,141	17,943
Other Taxable Income .....	5,490	5,854	6,359	6,689	6,979	7,299	7,631	7,959	8,304	8,683	9,080	9,455
<b>Consumer Price Index (All Urban) <sup>2</sup>:</b>												
Level, Annual Average .....	271.0	291.3	302.2	309.4	316.4	323.5	330.9	338.3	346.0	353.8	361.8	370.0
Percent Change, Fourth-Quarter-over-Fourth-Quarter .....	6.7	6.6	2.8	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
<b>Unemployment Rate, Civilian, Percent:</b>												
Fourth Quarter Level .....	4.2	3.6	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8
Annual Average .....	5.4	3.7	3.7	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8
<b>Federal Pay Raises, January, Percent:</b>												
Civilian <sup>3</sup> .....	1.0	2.7	4.6	NA	NA	NA	NA	NA	NA	NA	NA	NA
Military <sup>4</sup> .....	3.0	2.7	4.6	NA	NA	NA	NA	NA	NA	NA	NA	NA
<b>Interest Rates, Percent:</b>												
91-Day Treasury Bills <sup>5</sup> .....	0.0	1.6	3.0	2.9	2.7	2.6	2.5	2.5	2.4	2.4	2.4	2.4
10-Year Treasury Notes .....	1.4	2.7	3.2	3.2	3.2	3.2	3.3	3.3	3.3	3.3	3.3	3.4

<sup>1</sup> Based on information available as of mid-June 2022.<sup>2</sup> Seasonally Adjusted.<sup>3</sup> Overall average increase, including locality pay adjustments; percentages to be proposed for years after 2023 have yet to be determined.<sup>4</sup> Percentages apply to basic pay only; percentages to be proposed for years after 2023 have yet to be determined.<sup>5</sup> Average rate, secondary market (bank discount basis).

arise due to the Administration's assumption that the President's policy proposals will be enacted.

**Real Gross Domestic Product:** The Administration's forecast for short-run (fourth-quarter-over-fourth-quarter) real GDP growth in 2022 has been revised to 1.4 percent. This revised forecast matches the June Blue Chip consensus and is 1.7 percentage points below the CBO forecast. For 2032, the MSR forecasts 2.3 percent growth, compared with the Blue Chip consensus forecast of 1.9 percent, the CBO forecast of 1.7 percent, and the FOMC forecast of 1.8 percent.

**Unemployment:** The Administration's forecast for unemployment during 2022 is 3.7 percent (annual average). The CBO and Blue Chip forecasts differ only slightly, with the CBO forecast 0.1 percentage point higher and the June Blue Chip forecast 0.1 percentage point lower. Both the Blue Chip consensus and the CBO project higher levels of average unemployment over the medium- to long-term. For example, the Blue Chip consensus and the CBO project average unemployment rates of 3.9 and 4.3 percent, respectively, from 2025 to 2032, compared with 3.8 percent in the MSR. A similar pattern emerges for the 2032 unemployment rate, which is 3.8 percent in the MSR forecast but 4.0 and 4.5 percent for the Blue Chip consensus and the CBO, respectively.

**Inflation:** The Administration's MSR forecast for CPI inflation in 2022 is 0.1 percentage points higher than the June Blue Chip

consensus and modestly higher than CBO's, which was finalized earlier in 2022. Similar to the Blue Chip consensus and the CBO, however, the MSR forecast for CPI inflation settles in to a long-run level around 2.3 percent over the medium-term and remains there over the Budget window. These forecasts are all consistent with the view that long-run inflation will continue to be anchored by the Federal Reserve's stated policy target of 2.0 percent PCE inflation.

**Interest Rates:** On interest rates, the Administration's MSR forecast is broadly similar with Blue Chip and CBO over the budget window, with differences arising more in the near term than in the outyears. The MSR forecast for 91-day Treasury bill rates in 2022 is 0.1 and 0.7 percentage points higher than June Blue Chip and CBO, respectively, while all three projections are notably higher than the Budget forecast. A similar pattern holds in 2023 as well. The MSR forecast for 10-year Treasury notes in 2032 is 0.4 percentage points above the June Blue Chip consensus and 0.4 percentage points below CBO.

Related to the path of interest rates is the trajectory of debt held by the public, as well as real net interest which measures the real cost of debt. Real net interest has averaged one percent of GDP since 1980 and averaged two percent of GDP in the 1990s. Table S-1 shows that real net interest is projected to remain below one percent of GDP throughout the decade. Table 3 below shows economic forecast comparisons.

**Table 3. COMPARISON OF ECONOMIC ASSUMPTIONS**

(Calendar Years)

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
<b>Real GDP (Fourth-Quarter-over-Fourth-Quarter growth rates):</b>											
2023 MSR .....	1.4	1.8	2.0	2.0	2.0	2.0	2.1	2.2	2.3	2.3	2.3
2023 Budget .....	3.8	2.5	2.1	2.0	2.0	2.0	2.1	2.2	2.3	2.3	2.3
CBO .....	3.1	2.2	1.5	1.6	1.4	1.6	1.8	1.8	1.8	1.7	1.7
Blue Chip .....	1.4	1.6	2.1	2.0	2.0	1.9	1.9	1.9	1.9	1.9	1.9
Federal Reserve (FOMC) .....	1.7	1.7	1.9	1.8	1.8	1.8	1.8	1.8	1.8	1.8	1.8
<b>Consumer Price Index (Fourth-Quarter-over-Fourth-Quarter growth rates):</b>											
2023 MSR .....	6.6	2.8	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
2023 Budget .....	2.9	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3	2.3
CBO .....	4.7	2.7	2.3	2.3	2.3	2.3	2.4	2.4	2.4	2.3	2.3
Blue Chip .....	6.5	2.5	2.3	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
Federal Reserve (FOMC) <sup>1</sup> .....	5.2	2.6	2.2	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
<b>Unemployment Rate (annual average):</b>											
2023 MSR .....	3.7	3.7	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8
2023 Budget .....	3.9	3.6	3.7	3.8	3.8	3.8	3.8	3.8	3.8	3.8	3.8
CBO .....	3.8	3.5	3.7	3.9	4.0	4.2	4.5	4.5	4.6	4.5	4.5
Blue Chip .....	3.6	3.7	3.6	3.7	3.8	3.8	3.8	4.0	4.0	4.0	4.0
Federal Reserve (FOMC) <sup>2</sup> .....	3.7	3.9	4.1	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
<b>Interest Rates (annual average):</b>											
<b>91-Day Treasury Bills (discount basis):</b>											
2023 MSR .....	1.6	3.0	2.9	2.7	2.6	2.5	2.5	2.4	2.4	2.4	2.4
2023 Budget .....	0.2	0.9	1.6	1.9	2.1	2.2	2.3	2.3	2.3	2.3	2.3
CBO .....	0.9	2.0	2.5	2.6	2.5	2.3	2.3	2.3	2.3	2.3	2.3
Blue Chip .....	1.5	2.8	2.1	2.1	2.1	2.2	2.2	2.1	2.1	2.1	2.1
<b>10-Year Treasury Notes:</b>											
2023 MSR .....	2.7	3.2	3.2	3.2	3.2	3.3	3.3	3.3	3.3	3.3	3.4
2023 Budget .....	2.1	2.5	2.7	2.8	3.0	3.1	3.1	3.2	3.2	3.2	3.3
CBO .....	2.4	2.9	3.1	3.2	3.5	3.7	3.8	3.8	3.8	3.8	3.8
Blue Chip .....	2.8	3.2	2.9	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0

Sources: Administration; CBO, The Budget and Economic Outlook: 2022 to 2032, July 2022; March 2022 and June 2022 Blue Chip Economic Indicators, Aspen Publishers, Inc.; Federal Reserve Open Market Committee, June 16, 2022.

MSR = 2023 Mid-Session Review (forecast date: June 2022)

Budget = 2023 Budget (forecast date: November 2021)

CBO = July 2022 Congressional Budget Office economic projections (forecast date: May 2022)

Blue Chip = June 2022 Blue Chip Consensus forecast (2022-2023) extended with March 2022 Blue Chip Consensus (2024-2032)

<sup>1</sup> PCE Inflation.

<sup>2</sup> Fourth quarter level of unemployment.



# RECEIPTS

The Mid-Session Review (MSR) estimates of receipts (see Table 4 below) are above the 2023 Budget estimates by \$504 billion in 2022 and by \$95 billion in 2023. The MSR estimates of receipts are above the Budget estimates by \$117 billion in 2024 and differ from the Budget by \$141 billion to \$317 billion in each subsequent year, for a net increase in receipts of \$2.1 trillion over the 10-year budget horizon (2023 through 2032).

Most of the net increase in 2022 receipts is attributable to technical revisions based on new tax reporting data, collections to date, and other information, which increase receipts by

\$462 billion. Revised economic assumptions increase 2022 receipts by \$41 billion.

The estimate of 2023 receipts is above the Budget estimate due to a \$96 billion increase in receipts attributable to technical revisions, offset by a \$8 billion reduction in receipts due to revised economic assumptions.

The \$2.1 trillion increase in receipts over the 10-year budget horizon is the result of a \$1.0 trillion increase in receipts due to technical revisions, and a \$1.0 trillion increase attributable to revisions in the economic forecast.

## ECONOMIC CHANGES

Revisions in the economic forecast increase receipts by \$41 billion in 2022, decrease receipts by \$8 billion in 2023, and increase receipts by increasing amounts in each subsequent year, for a total increase of \$1,033 billion over the 10 years from 2023 through 2032.

In 2022, revisions to the economic forecast have the greatest effect on individual income taxes, increasing receipts by \$76 billion. This increase is primarily attributable to increases in the forecast of wages and salaries.

Over the 10-year budget window, revisions in the economic forecast have the greatest effect on individual income taxes, increasing collections by \$961 billion, attributable to in-

creases in the forecast of wages and salaries. The increase in the forecast of wages and salaries also accounts for most of the \$207 billion increase in social insurance and retirement receipts, primarily Social Security and Medicare payroll taxes. Increases in the forecast of interest rates drives a decrease of \$154 billion in deposits of earnings by the Federal Reserve System, as banks earn higher interest on their excess reserves. Revisions in the forecast of gross domestic product (GDP) and consumer price index (CPI) have a net increase on collections of corporate income taxes by \$4 billion. Revisions in the forecasts of GDP, interest rates, imports, and other sources of income increase all remaining sources of receipts by a net \$15 billion.

## TECHNICAL CHANGES

Technical revisions in the estimates of receipts increase receipts by \$462 billion in 2022 and increase receipts by \$96 billion in 2023. Technical revisions increase receipts in each subsequent year, for a net increase in receipts of \$1,044 billion over the 10-year budget window. The upward technical revisions in 2022 are primarily due to individual income tax collections data for tax year 2021 and 2022, which increases receipts by \$361 billion. Technical revisions increased other sources of receipts by a net \$101 billion.

Over the 10-year budget window, technical revisions increase collections of social insurance and retirement receipts by \$687 billion, primarily in employment tax receipts including Social Security and Medicare payroll taxes. Technical revisions increase collections of individual income taxes by \$178 billion and corporation income taxes by \$135 billion, both of which reflect actual collections data since the Budget. Technical revisions in all other sources of receipts increase receipts by \$44 billion.

## ENACTED LEGISLATION AND REVISIONS IN PROPOSALS

Two laws enacted since the Budget had small effects on total receipts. The Ending Importation of Russian Oil Act had a net zero effect on receipts, and prohibits the importation of Russian products that are classified under chapter 27 of the Harmonized Tariff Schedule. The Suspending Normal Trade Relations with Russia and Belarus Act increased receipts by \$1 billion over the 10-year window, a result of higher customs duties, partially offset by slightly lower corporate income tax receipts. The law authorizes the President to increase

the rates of duty applicable to products from Russia and Belarus, and authorizes the imposition of visa- and property-blocking sanctions based on human rights violations.

Changes in the estimates of receipt proposals increased receipts by \$40 billion over the 10-year window. Proposals to raise the corporate income tax rate to 28 percent and increase the top marginal income tax rate for high earners were the primary drivers of the change in receipt proposals.

**Table 4. CHANGES IN RECEIPTS**

(In billions of dollars)

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2023- 2027	2023- 2032
2023 Budget estimate .....	4,437	4,638	4,874	5,076	5,406	5,696	5,969	6,227	6,500	6,795	7,083		
Changes in current law receipts due to revised economic assumptions:													
Individual income taxes .....	76	81	70	70	83	92	101	108	113	119	125	395	961
Corporation income taxes .....	-9	-11	-12	-10	-6	-1	4	6	8	11	14	-39	4
Social insurance and retirement .....	1	4	8	13	17	21	26	29	29	31	30	62	207
Other .....	-27	-82	-52	-21	-8	-1	2	4	5	5	9	-164	-139
Total, changes due to revised economic assumptions .....	41	-8	14	51	86	111	132	147	155	166	179	254	1,033
Changes in current law receipts due to technical reestimates:													
Individual income taxes .....	361	13	37	15	14	15	16	17	17	18	18	92	178
Corporation income taxes .....	31	18	1	8	8	5	6	12	20	26	31	40	135
Social insurance and retirement .....	20	48	50	57	63	67	73	75	79	85	90	285	687
Other .....	50	17	19	13	6	1	-0	-1	-1	-3	-7	56	44
Total, changes due to technical reestimates .....	462	96	106	93	90	88	94	103	115	126	132	473	1,044
Changes in current law receipts due to enacted legislation .....	*	*	*	*	*	*	*	*	*	*	*	1	1
Changes in proposals due to enacted legislation and economic and technical revisions .....	1	7	-3	-3	-5	3	9	10	9	7	6	-2	40
Total, changes in proposals .....	1	7	-3	-3	-5	3	9	10	9	7	6	-2	40
Total change in receipts .....	504	95	117	141	171	203	235	261	279	299	317	727	2,118
2023 Mid-Session Review estimate .....	4,941	4,733	4,992	5,217	5,577	5,899	6,204	6,488	6,779	7,094	7,400		

\* \$500 million or less.

# EXPENDITURES

Mid-Session Review (MSR) outlays for 2022 are estimated to be \$5,972 billion, \$121 billion above the 2023 Budget estimate (see Table 5). After 2022, outlays are higher relative to the 2023 Budget in each year through 2032, for a total increase of \$1.8 trillion over the 10-year

budget horizon. The increase over the budget window is largely due to estimating changes for mandatory programs and net interest from revised economic assumptions and technical factors. Changes due to enacted legislation increase outlays by smaller amounts.

## ENACTED LEGISLATION CHANGES

Legislation enacted since the Budget was completed increases outlay estimates by \$86 billion in 2022 and by \$93 billion over the 10-year budget window. Three laws increase discretionary spending: Public Law 117-103, the Consolidated Appropriations Act, 2022 (Omnibus); Public Law 117-128, the Additional Ukraine Supplemental Appropriations Act, 2022; and Public Law 117-159, the Bipartisan Safer Communities Act. Those three laws increase discretionary outlays by \$77 billion in

2022 and by an additional \$63 billion from 2023 to 2032.

Four laws enacted since the Budget was completed affect mandatory spending: the Omnibus; Public Law 117-108, the Postal Service Reform Act of 2022; Public Law 117-158, the Keep Kids Fed Act of 2022; and the Bipartisan Safer Communities Act. Together, those laws increase mandatory outlays by \$9 billion in 2022 and decrease mandatory outlays by \$11 billion over the next 10 years.

## ESTIMATING CHANGES

Estimating changes are due to factors other than enacted legislation and may include revisions to economic assumptions, discussed earlier in this MSR, and updates to technical factors. Relative to Budget estimates, economic and technical changes increase estimated outlays by \$35 billion for 2022 and by \$1.7 trillion over the 10-year window.

**Discretionary programs.** Relative to the Budget, outlays for discretionary programs are \$85 billion lower in 2022 but \$43 billion higher over the next 10 years as a result of technical revisions. Outlays in 2022 decrease by \$60 billion for defense programs and by \$25 billion for non-defense programs, mostly due to slower-than-expected spending patterns. Outlays over the 2023-2032 period increase by \$14 billion for defense programs and by \$30 billion for non-defense programs.

**Social Security.** Estimating changes decrease outlays for Social Security by \$3 billion in 2022 and increase outlays by \$616 billion over the next 10 years. Outlays are lower in 2022 due to technical revisions for actual ben-

eficiary data. The increase in outlays for 2023 through 2032 is due to the revised forecast for the consumer price index (CPI), which results in higher cost-of-living adjustments (COLAs) than assumed in the Budget. Technical reestimates to incorporate actual beneficiary data and revised average benefit estimates reduce outlays, partially offsetting the increase from economic changes.

**Refundable Premium Tax Credit and Cost-Sharing Reductions.** Outlays for refundable premium tax credits and cost-sharing reductions are \$10 billion above Budget projections for 2022 and \$81 billion higher for 2023 to 2032. The increase is mostly due to the revised economic forecast and technical updates to enrollment projections based on an analysis of historical expenditures, and partially attributed to proposed regulations to increase access to affordable health insurance coverage.

**Supplemental Nutrition Assistance Program (SNAP).** Outlays for SNAP are \$74 billion higher from 2023 through 2032 rela-

tive to the Budget. The increase is primarily due to revised economic assumptions, including a higher forecast for the CPI, which changes estimated costs in the Thrifty Food Plan. In addition, outlays in 2023 are above Budget projections due to a technical revision for the July 15, 2022 extension of the public health emergency declaration for COVID-19.

**Earned Income Tax Credit (EITC).** Compared with Budget projections, outlays for the EITC decreased by \$2 billion in 2022 and by \$25 billion over the next 10 years. The decrease is mostly attributable to technical revisions for actuals to date and lower overall expected take up in the outyears. Higher wages than forecasted in the Budget increase claims and outlays for the EITC in the near-term, partially offsetting the technical reestimate, but gradually lead to fewer claims in the outyears as more people fall into the phase-out range or become ineligible for the credit.

**Outer Continental Shelf (OCS) and land management receipts.** Collections from bonuses, rents, and royalties from OCS and onshore energy development and receipts from other land management activities increased on net by \$3 billion in 2022 and by \$25 billion from 2023 to 2032, reducing net outlays relative to the Budget. That increase in collections is largely attributable to the revised forecast for oil and gas prices.

**Military Retirement.** Estimating changes reduce outlays for military retirement by \$1 billion in 2022 and increase outlays by \$21 billion over the next 10 years. The decrease in 2022 reflects a technical revision for actuals to date. The increase in outlays from 2023 to 2032 is due to higher COLAs than assumed in the Budget.

**Commodity Credit Corporation (CCC).** Technical revisions for crop prices released in May 2022 increase outlays for the CCC by \$17 billion over the 10-year window compared with Budget projections, which were based on crop prices from October 2021. Those price changes due to global weather conditions and the conflict in Ukraine affect the payment rate of the Agriculture Risk Coverage Program, which is the difference between actual average revenue and a five-year revenue average. Increases in the May crop price forecast are projected to lower CCC outlays in the near-term before in-

creasing outlays in the second half of the 10-year window.

**Medicaid.** Estimating changes increase Medicaid outlays by \$24 billion in 2022 and decrease outlays by \$16 billion from 2023 to 2032. The rise in 2022 outlays is attributable to technical revisions for the extension of the public health emergency and continuation of the temporary increase in the Federal match rate and requirement for states to maintain continuous enrollment. The reduction in outlays from 2023 to 2032 is due to technical reestimates reflecting slower growth in enrollment than projected at Budget. That change is partially offset by increases in outlays from revised inflation assumptions and the growth in costs of medical services.

**Student loans and financial assistance.** Outlays in 2022 for student loans increased by \$20 billion since the Budget due to the payment pause extension issued in April. From 2023 to 2032, estimating changes decrease outlays by \$16 billion, largely due to technical updates for actual Free Application for Federal Student Aid (FAFSA) application data. That reduction is partially offset by higher outlays for student loans due to revised unemployment rates and increases in outlays for other financial assistance due to changes in the CPI and COLAs.

**Strategic Petroleum Reserve (and related accounts).** Receipts for Strategic Petroleum Reserve-related accounts, taken collectively, are \$12 billion above Budget projections for 2022, primarily due to emergency oil sales implemented after the Budget was completed. Those collections reduce net outlays in 2022 and are made available in the SPR Petroleum account as budgetary resources that increase outlays in subsequent years. Changes in the outyears are also attributable to the revised forecast for oil prices and a technical correction to receipts. Together, those revisions increase net outlays by \$14 billion from 2023 to 2032.

**Medicare.** Estimating changes decrease outlays for Medicare by \$9 billion in 2022 relative to Budget estimates and by an additional \$5 billion from 2023 to 2032. Technical factors reducing outlays include lower enrollment and actual expenditures to date, revised estimates of morbidity and lower hospital utilization due to COVID-19, and lower spending for skilled



nursing facilities and home health facilities, among other factors. Those re-estimates are partially offset by increases in outlays from economic factors. Medicare market basket updates were revised upward due to forecasted growth of Medicare market basket components such as average hourly compensation, higher forecasted growth of inflation, and lower productivity adjustments.

**Other programs.** Relative to the Budget, outlays for other mandatory programs are \$13 billion higher in 2022 and \$33 billion higher for 2023 to 2032 due to economic revisions and

technical re-estimates. Projected outlays for 2022 changed by relatively large amounts for several programs and activities that supported the Federal response to the COVID-19 pandemic and subsequent economic recession. As shown in Table 6, those programs include: payments to individuals and business tax credits; unemployment compensation; the Child Tax Credit; emergency rental assistance; funding for air and ground transportation; the Federal Communication Commission's Emergency Connectivity Fund; and fiscal assistance to State and local governments provided through the Coronavirus Relief Fund.

**Table 5. CHANGES IN OUTLAYS**

(In billions of dollars)

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2023– 2027	2023– 2032
2023 Budget estimate .....	5,852	5,792	6,075	6,406	6,734	7,048	7,502	7,670	8,114	8,477	8,867		
Changes due to enacted legislation: <sup>1</sup>													
Consolidated Appropriations Act, 2022 .....	58	22	9	4	2	1	1	1	*	*	*	37	39
Additional Ukraine Supplemental Appropriations, 2022 .....	19	10	4	2	1	1	1	1	*	*	*	18	20
Other enacted legislation .....	9	4	1	1	-21	-4	1	1	4	2	3	-19	-7
Debt service .....	*	3	4	4	4	4	4	4	4	4	5	19	40
Subtotal, enacted legislation .....	86	39	18	11	-14	2	6	6	9	7	8	56	93
Changes due to reestimates:													
Discretionary appropriations:													
Defense programs .....	-60	-1	10	3	3	4	-*	-1	-1	-1	-1	19	14
Non-defense programs .....	-25	11	-20	12	13	9	2	2	1	-*	-*	25	30
Subtotal, discretionary appropriations .....	-85	10	-10	15	16	13	2	1	-*	-1	-2	44	43
Social Security .....	-3	27	51	58	61	64	66	69	71	74	76	260	616
Refundable premium tax credit and cost-sharing reductions .....	10	8	6	7	7	8	7	8	9	10	10	37	81
Supplemental Nutrition Assistance Program .....	*	17	5	7	6	6	7	7	7	7	5	41	74
Earned Income Tax Credit .....	-2	1	-3	-4	-4	-4	-4	-3	-2	-1	-1	-14	-25
Outer Continental Shelf (OCS) and land management receipts .....	-3	-4	-3	-2	-2	-2	-2	-2	-2	-2	-2	-14	-25
Military retirement .....	-1	1	2	2	2	2	2	2	2	2	3	9	21
Commodity Credit Corporation .....	-1	-2	-3	-*	*	2	7	8	3	1	1	-2	17
Medicaid .....	24	8	-3	-1	-3	-2	-2	-4	-3	-3	-3	-1	-16
Student loans and financial assistance .....	20	-1	-1	-1	-2	-2	-2	-2	-3	-3	1	-7	-16
Strategic Petroleum Reserve (and related accounts) .....	-12	-5	6	6	3	1	*	*	-*	-*	2	12	14
Medicare .....	-9	-5	-5	-1	-4	-1	-2	-2	2	6	8	-16	-5
Other programs .....	13	-14	17	1	-4	-1	3	9	8	8	7	-1	33
Net interest <sup>2</sup> .....	83	161	150	129	107	90	72	58	42	31	21	636	861
Subtotal, reestimates .....	35	201	210	214	185	174	153	147	134	127	125	985	1,672
Total change in outlays .....	121	240	228	225	171	176	160	154	143	134	133	1,041	1,764
Mid-Session Review estimate .....	5,972	6,032	6,303	6,631	6,905	7,224	7,661	7,823	8,257	8,612	9,000		

\* \$500 million or less.

<sup>1</sup> Mid-Session Review reflects enacted legislation through Public Law 117-159, the Bipartisan Safer Communities Act, which was signed into law on June 25, 2022.

<sup>2</sup> Includes debt service on all reestimates.

**Table 6. ESTIMATING CHANGES  
IN CURRENT YEAR OUTLAYS**

(In billions of dollars)

	2022
Other mandatory programs:	
U.S. coronavirus payments and tax credits	42
Unemployment compensation .....	-40
Child Tax Credit .....	32
Emergency Rental Assistance program .....	-5
Ground and air transportation .....	5
Emergency Connectivity Fund .....	-4
Coronavirus Relief Fund .....	-3

**Net interest.** Excluding the debt service associated with enacted legislation, outlays for net interest are projected to increase by \$83 billion in 2022 and by \$861 billion over the next 10 years. The majority of the increase is the result of revised economic assumptions, including projections for Treasury interest rates and higher growth in the CPI. Technical revisions are largely due to updating for the impacts of year-to-date actuals.

**SPECIAL FOCUS: HISTORICAL TRENDS IN CURRENT YEAR DEFICITS**

Across administrations, the President's Budget and MSR provide the Executive Branch's best estimates of receipts and outlays, accounting for economic and technical assumptions. While there will always be differences between estimated and actual receipts and outlays, estimates in the current year have historically overestimated the deficit in that year.

Since 1985, projections in the Budget have overstated the current year deficit (or understated the surplus) by an average of 0.5 per-

cent of GDP.<sup>1</sup> The MSR has similarly overstated current year deficits, though estimates generally improve as compared to Budget as more economic and budgetary data become available for the current year, including for enacted legislation late in the fiscal year.

Table 7 compares the current year deficit projections in the President's Budget and MSR to actuals since 2012. As shown in this table, deficit estimates in the Budget since 2012 were higher than actual deficits in every year

<sup>1</sup> See the President's 2023 Budget, Analytical Perspectives Volume, Chapter 2, "Economic Assumptions."

**Table 7. ACTUAL AND PROJECTED CURRENT YEAR DEFICITS, 2012–2021**

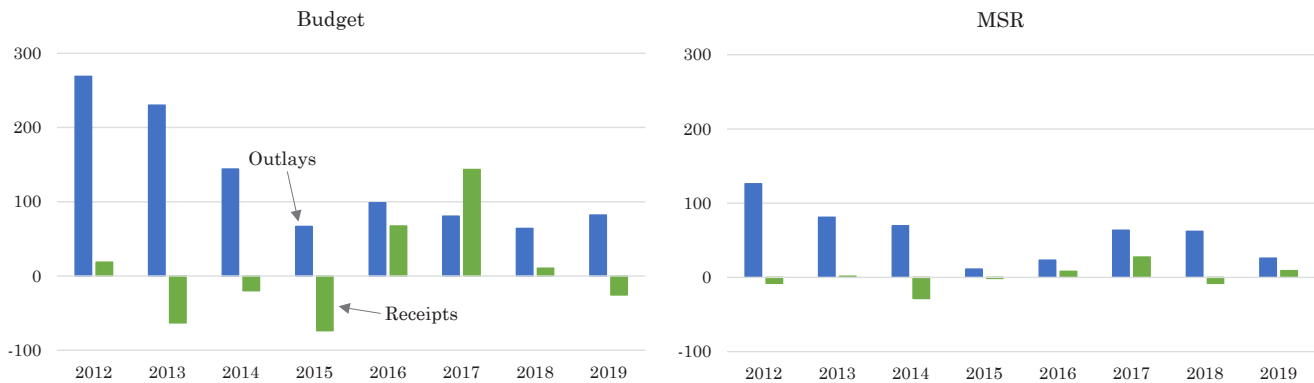
(In billions of dollars and as a percent of GDP)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Actual deficit .....	1,077	680	485	442	585	665	779	984	3,132	2,775
Percent of GDP .....	6.7	4.1	2.8	2.4	3.2	3.5	3.8	4.7	15.0	12.4
Budget estimate .....	1,327	973	649	583	616	603	833	1,092	1,083	3,669
Error .....	250	293	164	141	31	-63	53	108	-2,049	893
Error as a percent of GDP .....	1.6	1.8	0.9	0.8	0.2	-0.3	0.3	0.5	-9.8	4.0
Mid-Session Review estimate .....	1,211	759	583	455	600	702	849	1,001	<sup>1</sup>	<sup>2</sup>
Error .....	134	80	98	13	15	36	70	17	<sup>1</sup>	<sup>2</sup>
Error as a percent of GDP .....	0.8	0.5	0.6	0.1	0.1	0.2	0.3	0.1	<sup>1</sup>	<sup>2</sup>

Source: Actual deficits and GDP from Historical Tables, President's 2023 Budget. Current year estimates are projections for the fiscal year in which the Budget or Mid-Session Review (MSR) was prepared.

<sup>1</sup>The 2021 MSR did not update budget totals.

<sup>2</sup>The 2022 MSR included updates for a limited set of programs and activities where economic changes would have the greatest effect.

**Chart 1. Current Year Estimates of Outlays and Receipts Less Year-End Actuals, 2012-2019** (billions of dollars)

Source: Actual outlays and receipts from Historical Tables, President's 2023 Budget. Current year estimates are projections for the fiscal year in which the Budget or MSR was prepared.

except two—2017 due to the Budget's receipt forecast and 2020 when four supplementals were enacted after the Budget's release in response to COVID-19. MSR estimates were higher than actual deficits in each year.

Figure 1 displays outlay and receipt forecast discrepancies separately for Budget and MSR since 2012 and focuses on years for which complete data are available for both Budget and MSR. Though both outlay and receipt forecast errors shrink in MSR, outlay estimates are consistently above year-end results. Receipt estimates are more variable—above final actuals in some years and below in other years.

There are many possible reasons why estimated deficit projections are higher than actuals. Some differences may occur because policies proposed in the Budget are not implemented in the current year. Other differences arise during recessions or following the enactment of major legislation when economic conditions or new programs lead to additional uncertainty in outlay projections. Continuing resolutions, which lead to the late enactment of final discretionary appropriations in the current year, may also contribute to lower than projected outlays.

OMB is closely reviewing these estimates, and is exploring ways to improve deficit projections in the current year.



## **SUMMARY TABLES**



**Table S-1. BUDGET TOTALS<sup>1</sup>**

(In billions of dollars and as a percent of GDP)

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Totals	
													2023-2027	2023-2032
<b>Budget totals in billions of dollars:</b>														
Receipts .....	4,047	4,941	4,733	4,992	5,217	5,577	5,899	6,204	6,488	6,779	7,094	7,400	26,417	60,382
Outlays .....	6,822	5,972	6,032	6,303	6,631	6,905	7,224	7,661	7,823	8,257	8,612	9,000	33,096	74,450
Deficit .....	2,775	1,032	1,300	1,312	1,414	1,328	1,325	1,457	1,336	1,478	1,518	1,600	6,679	14,068
Debt held by the public .....	22,284	24,347	25,714	27,076	28,536	29,881	31,236	32,719	34,079	35,578	37,121	38,752		
Debt held by the public net of financial assets .....	20,673	21,702	23,001	24,312	25,727	27,056	28,381	29,838	31,174	32,658	34,181	35,781		
Gross domestic product (GDP) .....	22,365	24,669	26,315	27,408	28,531	29,702	30,921	32,202	33,568	35,026	36,570	38,181		
<b>Budget totals as a percent of GDP:</b>														
Receipts .....	18.1%	20.0%	18.0%	18.2%	18.3%	18.8%	19.1%	19.3%	19.3%	19.4%	19.4%	19.4%	18.5%	18.9%
Outlays .....	30.5%	24.2%	22.9%	23.0%	23.2%	23.2%	23.4%	23.8%	23.3%	23.6%	23.5%	23.6%	23.2%	23.4%
Deficit .....	12.4%	4.2%	4.9%	4.8%	5.0%	4.5%	4.3%	4.5%	4.0%	4.2%	4.1%	4.2%	4.7%	4.5%
Debt held by the public .....	99.6%	98.7%	97.7%	98.8%	100.0%	100.6%	101.0%	101.6%	101.5%	101.6%	101.5%	101.5%		
Debt held by the public net of financial assets .....	92.4%	88.0%	87.4%	88.7%	90.2%	91.1%	91.8%	92.7%	92.9%	93.2%	93.5%	93.7%		
<b>Memorandum, real net interest:</b>														
Real net interest in billions of dollars .....	-294	-1,016	-609	48	139	170	206	240	266	292	322	354	-45	1,430
Real net interest as a percent of GDP .....	-1.3%	-4.1%	-2.3%	0.2%	0.5%	0.6%	0.7%	0.7%	0.8%	0.8%	0.9%	0.9%	-0.1%	0.4%

<sup>1</sup>The Budget includes a reserve for legislation that reduces costs, expands productive capacity, and reforms the tax system. This allowance was shown as deficit neutral to be conservative for purposes of the budget totals.

**Table S-2. EFFECT OF BUDGET PROPOSALS ON PROJECTED DEFICITS**

(Deficit increases (+) or decreases (-) in billions of dollars)

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Totals	
													2023-2027	2023-2032
<b>Projected deficits in the baseline .....</b>	<b>2,775</b>	<b>1,039</b>	<b>1,400</b>	<b>1,501</b>	<b>1,638</b>	<b>1,537</b>	<b>1,550</b>	<b>1,725</b>	<b>1,635</b>	<b>1,798</b>	<b>1,846</b>	<b>2,029</b>	<b>7,626</b>	<b>16,657</b>
Percent of GDP .....	12.4%	4.2%	5.3%	5.5%	5.7%	5.2%	5.0%	5.4%	4.9%	5.1%	5.0%	5.3%		
<b>Proposals in the 2023 Mid-Session Review:</b>														
Reserve for legislation that reduces costs, expands productive capacity, and reforms the tax system <sup>1</sup> .....														
Invest in K-12 education and college affordability .....			3	21	27	32	37	42	48	51	52	53	121	368
Improve public health by investing in preparedness, mental health, tribal health, and other areas .....			22	43	37	34	35	35	35	37	40	42	172	360
Increase affordable housing supply .....			1	3	6	7	8	8	6	4	3	2	25	48
Combat and prevent crime .....			1	2	3	4	5	4	3	2	2	2	15	28
Minimum tax on billionaires .....				-29	-37	-43	-48	-49	-48	-40	-34	-33	-157	-361
Additional investments and reforms .....		-7	-127	-224	-248	-226	-239	-279	-306	-330	-339	-433	-1,064	-2,751
Debt service and other interest effects .....		-*	-2	-6	-12	-17	-22	-29	-36	-44	-52	-62	-59	-282
<b>Total proposals in the 2023 Mid-Session Review .....</b>	<b>.....</b>	<b>-7</b>	<b>-100</b>	<b>-190</b>	<b>-224</b>	<b>-209</b>	<b>-224</b>	<b>-268</b>	<b>-299</b>	<b>-319</b>	<b>-328</b>	<b>-429</b>	<b>-947</b>	<b>-2,590</b>
<b>Resulting deficits in the 2023 Mid-Session Review ...</b>	<b>2,775</b>	<b>1,032</b>	<b>1,300</b>	<b>1,312</b>	<b>1,414</b>	<b>1,328</b>	<b>1,325</b>	<b>1,457</b>	<b>1,336</b>	<b>1,478</b>	<b>1,518</b>	<b>1,600</b>	<b>6,679</b>	<b>14,068</b>
Percent of GDP .....	12.4%	4.2%	4.9%	4.8%	5.0%	4.5%	4.3%	4.5%	4.0%	4.2%	4.1%	4.2%		

\* \$500 million or less.

<sup>1</sup>The Budget includes a reserve for legislation that reduces costs, expands productive capacity, and reforms the tax system. This allowance was shown as deficit neutral to be conservative for purposes of the budget totals.



**Table S-3. BASELINE BY CATEGORY**

(In billions of dollars)

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Totals	
													2023-2027	2023-2032
<b>Outlays:</b>														
Discretionary programs:														
Defense .....	742	744	818	854	868	883	899	916	935	957	978	1,000	4,323	9,109
Non-defense .....	895	942	935	990	1,009	1,016	1,032	1,048	1,070	1,088	1,109	1,133	4,983	10,430
Subtotal, discretionary programs ...	1,636	1,687	1,753	1,845	1,877	1,899	1,932	1,964	2,005	2,045	2,087	2,133	9,306	19,539
Mandatory programs:														
Social Security .....	1,129	1,211	1,340	1,449	1,540	1,632	1,727	1,826	1,927	2,029	2,135	2,243	7,688	17,847
Medicare .....	689	751	842	849	972	1,049	1,151	1,310	1,260	1,423	1,500	1,655	4,862	12,010
Medicaid .....	521	586	544	564	596	625	660	703	747	795	841	893	2,989	6,967
Other mandatory programs .....	2,495	1,297	957	880	870	875	876	948	942	988	1,012	1,062	4,459	9,411
Subtotal, mandatory programs .....	4,834	3,845	3,683	3,742	3,978	4,181	4,414	4,787	4,875	5,235	5,488	5,853	19,998	46,236
Net interest .....	352	441	562	636	709	776	845	913	976	1,038	1,107	1,180	3,528	8,742
Total outlays .....	6,822	5,972	5,998	6,223	6,564	6,855	7,191	7,664	7,857	8,318	8,682	9,166	32,831	74,517
<b>Receipts:</b>														
Individual income taxes .....	2,044	2,694	2,399	2,425	2,516	2,823	3,033	3,191	3,366	3,550	3,747	3,932	13,196	30,982
Corporation income taxes .....	372	404	419	436	452	440	450	478	483	485	490	500	2,197	4,634
Social insurance and retirement receipts:														
Social Security payroll taxes .....	952	1,067	1,136	1,198	1,257	1,321	1,379	1,451	1,514	1,585	1,658	1,730	6,292	14,229
Medicare payroll taxes .....	295	339	360	379	396	414	432	454	474	496	519	542	1,980	4,464
Unemployment insurance .....	57	48	54	55	55	56	58	61	63	64	67	69	279	601
Other retirement .....	10	12	12	13	13	14	15	15	16	17	17	18	67	151
Excise taxes .....	75	86	86	90	89	90	91	90	93	95	95	96	446	915
Estate and gift taxes .....	27	30	23	25	27	27	41	42	45	48	50	54	143	382
Customs duties .....	80	101	65	51	51	52	54	56	58	60	63	55	274	566
Deposits of earnings, Federal Reserve System .....														
System .....	100	115	5	9	28	35	41	49	55	62	70	78	118	431
Other miscellaneous receipts .....	34	36	37	39	42	45	49	53	56	59	61	62	212	502
Total receipts .....	4,047	4,934	4,597	4,722	4,926	5,318	5,642	5,939	6,222	6,520	6,836	7,137	25,205	57,859
<b>Deficit .....</b>	<b>2,775</b>	<b>1,039</b>	<b>1,400</b>	<b>1,501</b>	<b>1,638</b>	<b>1,537</b>	<b>1,550</b>	<b>1,725</b>	<b>1,635</b>	<b>1,798</b>	<b>1,846</b>	<b>2,029</b>	<b>7,626</b>	<b>16,657</b>
Net interest .....	352	441	562	636	709	776	845	913	976	1,038	1,107	1,180	3,528	8,742
Primary deficit .....	2,423	598	839	865	929	761	704	812	658	760	739	848	4,099	7,915
On-budget deficit .....	2,724	1,021	1,331	1,384	1,491	1,370	1,357	1,512	1,388	1,523	1,541	1,690	6,934	14,588
Off-budget deficit .....	52	18	69	118	147	167	192	213	247	275	304	338	692	2,070

SUMMARY TABLES

**Table S-4. PROPOSED BUDGET BY CATEGORY<sup>1</sup>**

(In billions of dollars)

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Totals	
													2023-2027	2023-2032
<b>Outlays:</b>														
Discretionary programs:														
Defense .....	742	744	808	836	841	848	858	864	871	878	884	890	4,191	8,578
Non-defense .....	895	942	945	1,011	1,028	1,033	1,037	1,033	1,042	1,053	1,066	1,083	5,055	10,331
Subtotal, discretionary programs ...	1,636	1,687	1,753	1,848	1,869	1,882	1,894	1,897	1,913	1,931	1,949	1,972	9,246	18,909
Mandatory programs:														
Social Security .....	1,129	1,211	1,340	1,449	1,540	1,631	1,726	1,825	1,925	2,028	2,133	2,241	7,686	17,838
Medicare .....	689	751	841	848	971	1,048	1,151	1,310	1,259	1,424	1,520	1,621	4,859	11,993
Medicaid .....	521	586	544	564	597	628	663	704	748	797	844	896	2,997	6,987
Other mandatory programs .....	2,495	1,297	996	964	957	957	967	1,041	1,037	1,085	1,110	1,151	4,840	10,263
Subtotal, mandatory programs .....	4,834	3,845	3,720	3,825	4,065	4,265	4,507	4,880	4,970	5,333	5,608	5,909	20,381	47,081
Net interest .....	352	441	560	630	697	759	823	884	941	994	1,055	1,118	3,469	8,460
Total outlays .....	6,822	5,972	6,032	6,303	6,631	6,905	7,224	7,661	7,823	8,257	8,612	9,000	33,096	74,450
<b>Receipts:</b>														
Individual income taxes .....	2,044	2,701	2,444	2,531	2,632	2,911	3,117	3,279	3,455	3,634	3,827	4,014	13,634	31,844
Corporation income taxes .....	372	404	509	603	630	614	625	655	660	660	667	681	2,981	6,305
Social insurance and retirement receipts:														
Social Security payroll taxes .....	952	1,067	1,136	1,198	1,257	1,321	1,379	1,451	1,514	1,585	1,658	1,730	6,292	14,229
Medicare payroll taxes .....	295	339	359	378	394	413	430	452	472	494	517	540	1,974	4,449
Unemployment insurance .....	57	48	54	55	55	56	58	60	62	64	67	69	278	600
Other retirement .....	10	12	12	13	13	14	15	15	16	17	17	18	67	151
Excise taxes .....	75	86	86	91	89	90	91	91	93	95	95	97	448	918
Estate and gift taxes .....	27	30	24	23	25	25	41	43	46	49	52	56	139	384
Customs duties .....	80	101	65	51	51	52	54	56	58	60	63	55	274	566
Deposits of earnings, Federal Reserve System .....	100	115	5	9	28	35	41	49	55	62	70	78	118	431
Other miscellaneous receipts .....	34	36	37	39	42	45	49	53	56	59	61	62	213	503
Total receipts .....	4,047	4,941	4,733	4,992	5,217	5,577	5,899	6,204	6,488	6,779	7,094	7,400	26,417	60,382
<b>Deficit .....</b>	<b>2,775</b>	<b>1,032</b>	<b>1,300</b>	<b>1,312</b>	<b>1,414</b>	<b>1,328</b>	<b>1,325</b>	<b>1,457</b>	<b>1,336</b>	<b>1,478</b>	<b>1,518</b>	<b>1,600</b>	<b>6,679</b>	<b>14,068</b>
Net interest .....	352	441	560	630	697	759	823	884	941	994	1,055	1,118	3,469	8,460
Primary deficit .....	2,423	591	740	681	717	569	502	573	395	485	463	482	3,210	5,608
On-budget deficit .....	2,724	1,014	1,230	1,193	1,267	1,161	1,133	1,245	1,089	1,204	1,214	1,263	5,984	11,999
Off-budget deficit .....	52	18	70	118	147	167	192	212	246	274	304	337	694	2,068

<sup>1</sup> The Budget includes a reserve for legislation that reduces costs, expands productive capacity, and reforms the tax system. This allowance was shown as deficit neutral to be conservative for purposes of the budget totals.

**Table S-5. PROPOSED BUDGET BY CATEGORY AS A PERCENT OF GDP<sup>1</sup>**

(As a percent of GDP)

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Averages	
													2023–2027	2023–2032
<b>Outlays:</b>														
Discretionary programs:														
Defense .....	3.3	3.0	3.1	3.1	2.9	2.9	2.8	2.7	2.6	2.5	2.4	2.3	2.9	2.7
Non-defense .....	4.0	3.8	3.6	3.7	3.6	3.5	3.4	3.2	3.1	3.0	2.9	2.8	3.5	3.3
Subtotal, discretionary programs ...	7.3	6.8	6.7	6.7	6.6	6.3	6.1	5.9	5.7	5.5	5.3	5.2	6.5	6.0
Mandatory programs:														
Social Security .....	5.0	4.9	5.1	5.3	5.4	5.5	5.6	5.7	5.7	5.8	5.8	5.9	5.4	5.6
Medicare .....	3.1	3.0	3.2	3.1	3.4	3.5	3.7	4.1	3.7	4.1	4.2	4.2	3.4	3.7
Medicaid .....	2.3	2.4	2.1	2.1	2.1	2.1	2.1	2.2	2.2	2.3	2.3	2.3	2.1	2.2
Other mandatory programs .....	11.2	5.3	3.8	3.5	3.4	3.2	3.1	3.2	3.1	3.1	3.0	3.0	3.4	3.2
Subtotal, mandatory programs .....	21.6	15.6	14.1	14.0	14.2	14.4	14.6	15.2	14.8	15.2	15.3	15.5	14.3	14.7
Net interest .....	1.6	1.8	2.1	2.3	2.4	2.6	2.7	2.7	2.8	2.8	2.9	2.9	2.4	2.6
Total outlays .....	30.5	24.2	22.9	23.0	23.2	23.2	23.4	23.8	23.3	23.6	23.5	23.6	23.2	23.4
<b>Receipts:</b>														
Individual income taxes .....	9.1	11.0	9.3	9.2	9.2	9.8	10.1	10.2	10.3	10.4	10.5	10.5	9.5	9.9
Corporation income taxes .....	1.7	1.6	1.9	2.2	2.2	2.1	2.0	2.0	2.0	1.9	1.8	1.8	2.1	2.0
Social insurance and retirement receipts:														
Social Security payroll taxes .....	4.3	4.3	4.3	4.4	4.4	4.4	4.5	4.5	4.5	4.5	4.5	4.5	4.4	4.5
Medicare payroll taxes .....	1.3	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.4
Unemployment insurance .....	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Other retirement .....	*	*	*	*	*	*	*	*	*	*	*	*	*	*
Excise taxes .....	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Estate and gift taxes .....	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Customs duties .....	0.4	0.4	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.2	0.2
Deposits of earnings, Federal Reserve System .....	0.4	0.5	*	*	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.1	0.1
Other miscellaneous receipts .....	0.2	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.2
Total receipts .....	18.1	20.0	18.0	18.2	18.3	18.8	19.1	19.3	19.3	19.4	19.4	19.4	18.5	18.9
<b>Deficit .....</b>	<b>12.4</b>	<b>4.2</b>	<b>4.9</b>	<b>4.8</b>	<b>5.0</b>	<b>4.5</b>	<b>4.3</b>	<b>4.5</b>	<b>4.0</b>	<b>4.2</b>	<b>4.2</b>	<b>4.2</b>	<b>4.7</b>	<b>4.5</b>
Net interest .....	1.6	1.8	2.1	2.3	2.4	2.6	2.7	2.7	2.8	2.8	2.9	2.9	2.4	2.6
Primary deficit .....	10.8	2.4	2.8	2.5	2.5	1.9	1.6	1.8	1.2	1.4	1.3	1.3	2.3	1.8
On-budget deficit .....	12.2	4.1	4.7	4.4	4.4	3.9	3.7	3.9	3.2	3.4	3.3	3.3	4.2	3.8
Off-budget deficit .....	0.2	0.1	0.3	0.4	0.5	0.6	0.6	0.7	0.7	0.8	0.8	0.9	0.5	0.6

\*0.05 percent of GDP or less.

<sup>1</sup>The Budget includes a reserve for legislation that reduces costs, expands productive capacity, and reforms the tax system. This allowance was shown as deficit neutral to be conservative for purposes of the budget totals.

SUMMARY TABLES

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**Table S-6. MANDATORY AND RECEIPT PROPOSALS**

(Deficit increases (+) or decreases (-) in millions of dollars)

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Totals		
												2023-2027	2023-2032	
Multi-agency proposals:														
Reserve for legislation that reduces costs, expands productive capacity, and reforms the tax system .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Transform mental health & substance use disorder coverage and infrastructure:														
Department of Health and Human Services:														
Invest in behavioral health workforce and delivery .....	.....	750	750	750	750	750	750	750	750	750	750	3,750	7,500	
Expand and convert Medicaid demonstration programs to improve community behavioral health services into a permanent program .....	.....	.....	.....	2	773	825	1,275	2,235	2,706	3,846	4,097	1,600	15,759	
Establish Medicaid provider capacity grants for mental health & substance use disorder treatment .....	.....	40	170	1,640	2,340	2,600	710	.....	.....	.....	.....	6,790	7,500	
Utilize clinically appropriate criteria for Medicaid behavioral health services .....	.....	190	200	210	220	230	240	250	270	280	290	1,050	2,380	
Establish performance bonus fund to improve behavioral health in Medicaid .....	.....	500	500	500	500	500	.....	.....	.....	.....	.....	2,500	2,500	
Apply the Mental Health Parity and Addiction Equity Act (MHPAEA) to Medicare .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
Eliminate the 190-day lifetime limit on psychiatric hospital services .....	.....	30	90	110	110	120	120	130	140	140	150	460	1,140	
Revise criteria for psychiatric hospital terminations from Medicare .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
Modernize Medicare mental health benefits <sup>1</sup> .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
Require Medicare to cover three behavioral health visits without cost-sharing .....	.....	.....	100	130	140	150	160	150	170	170	180	520	1,350	
Increase access to consumer protections in self-insured non-federal governmental plans .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
Provide mandatory funding for state enforcement of mental health parity requirements .....	.....	10	40	25	25	25	.....	.....	.....	.....	.....	125	125	

**Table S-6. MANDATORY AND RECEIPT PROPOSALS—Continued**

(Deficit increases (+) or decreases (-) in millions of dollars)

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Totals	
												2023-2027	2023-2032
Permanently extend funding for Community Mental Health Centers (CMHCs) .....	.....	124	289	372	413	413	413	413	413	413	413	1,611	3,676
Department of Labor:													
Authorize the Department of Labor (DOL) to pursue parity violations by entities that provide administrative services to Employee Retirement Income Security Act (ERISA) group health plans .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Amend ERISA to allow participants and beneficiaries to recover losses due to parity violations .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Authorize DOL to impose civil monetary penalties for MHPAEA noncompliance .....	.....	.....	-3	-4	-4	-4	-4	-4	-4	-4	-4	-15	-35
Provide mandatory funding for DOL to perform additional Non-Quantitative Treatment Limitations (NQTL) audits .....	.....	2	5	25	25	34	35	36	37	38	38	91	275
Cross-Cutting proposals:													
Improve access to behavioral healthcare in the private insurance market <sup>2</sup> .....	.....	2,056	2,865	3,053	3,106	3,237	3,356	3,537	3,710	3,881	4,067	14,317	32,868
Require coverage of three behavioral health visits and three primary care visits without cost-sharing <sup>2</sup> .....	.....	1,291	1,880	1,962	2,076	2,133	2,241	2,354	2,442	2,525	2,672	9,342	21,576
Subtotal, transform mental health & substance use disorder coverage and infrastructure .....	.....	4,993	6,886	8,775	10,474	11,013	9,296	9,851	10,634	12,039	12,653	42,141	96,614
Increase affordable housing supply:													
Department of Housing and Urban Development:													
Fund affordable housing production grants .....	.....	500	2,000	3,500	4,500	5,000	4,500	3,000	1,500	500	.....	15,500	25,000
Reduce affordable housing barriers .....	.....	200	800	1,400	1,800	2,000	1,800	1,200	600	200	.....	6,200	10,000
Department of the Treasury:													
Establish Community Development Financial Institutions Affordable Housing Supply Fund .....	.....	500	500	500	500	500	500	500	500	500	500	2,500	5,000
Allow selective basis boosts for bond-financed Low-Income Housing Credit projects <sup>2</sup> .....	.....	2	29	140	354	617	895	1,148	1,359	1,561	1,769	1,142	7,874
Subtotal, increase affordable housing supply .....	.....	1,202	3,329	5,540	7,154	8,117	7,695	5,848	3,959	2,761	2,269	25,342	47,874

SUMMARY TABLES

**Table S-6. MANDATORY AND RECEIPT PROPOSALS—Continued**

(Deficit increases (+) or decreases (-) in millions of dollars)

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Totals		
												2023-2027	2023-2032	
Protect our elections and the right to vote:														
Election Assistance Commission:														
Fund election grants to increase access and security .....	.....	2,040	810	830	840	860	880	900	920	950	970	5,380	10,000	
Postal Service:														
Expand affordability and reliability of election-related mail service .....	.....	500	500	500	500	500	500	500	500	500	500	2,500	5,000	
Subtotal, protect our elections and the right to vote .....	.....	2,540	1,310	1,330	1,340	1,360	1,380	1,400	1,420	1,450	1,470	7,880	15,000	
Expand legal representation for asylum seekers:														
Department of Health and Human Services:														
Provide unaccompanied children with legal representation .....	.....	120	302	470	644	892	1,063	1,121	1,161	1,194	1,223	2,428	8,190	
Department of Justice:														
Provide representation in the immigration court system .....	.....	68	248	428	450	450	450	450	450	450	450	1,644	3,894	
Subtotal, expand legal representation for asylum seekers .....	.....	188	550	898	1,094	1,342	1,513	1,571	1,611	1,644	1,673	4,072	12,084	
Advance child welfare:														
Department of Health and Human Services:														
Create new flexibilities and support in the Chafee program for youth who experienced foster care .....	.....	100	100	100	100	100	100	100	100	100	100	500	1,000	
Prevent and combat religious, sexual orientation, gender identity, gender expression, or sex discrimination in the child welfare system .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
Expand and encourage participation in the title IV-E Prevention Services and Kinship Navigator programs ...	161	280	318	376	445	389	457	539	628	701	767	1,808	4,900	
Reauthorize, increase funding for, and amend the Promoting Safe and Stable Families program ...	.....	78	250	292	295	300	300	300	300	300	300	1,215	2,715	
Increase support for foster care placements with kin caregivers ...	.....	91	100	108	116	126	136	145	155	162	169	541	1,308	
Reduce reimbursement rates for foster care congregate care placements .....	.....	-27	-24	-21	-18	-17	-16	-15	-14	-14	-14	-107	-180	

**Table S-6. MANDATORY AND RECEIPT PROPOSALS—Continued**

(Deficit increases (+) or decreases (-) in millions of dollars)

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Totals		
												2023-2027	2023-2032	
Department of the Treasury:														
Make the adoption tax credit refundable and allow certain guardianship arrangements to qualify <sup>2</sup> .....	.....	11	1,959	1,171	946	993	984	977	980	991	1,006	5,080	10,018	
Subtotal, advance child welfare ...	161	533	2,703	2,026	1,884	1,891	1,961	2,046	2,149	2,240	2,328	9,037	19,761	
Ensure future pandemic and public health preparedness:														
Department of Health and Human Services:														
Invest in development of medical countermeasures, surge capacity, and public health systems .....	.....	13,509	28,734	17,183	10,354	6,627	4,449	723	120	.....	.....	76,407	81,699	
Establish the Vaccines for Adults program .....	.....	1,712	2,155	2,238	2,326	2,416	2,511	2,608	2,711	2,816	2,926	10,847	24,419	
Expand Vaccines for Children (VFC) program to all Children's Health Insurance Program (CHIP) children and make program improvements .....	.....	20	30	30	30	20	40	30	30	20	30	130	280	
Authorize coverage for drugs and devices authorized for emergency use <sup>1</sup> .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
Encourage development of innovative antimicrobial drugs <sup>1</sup> ..	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
Consolidate all vaccine coverage under Medicare Part B .....	.....	.....	400	460	450	440	420	400	370	350	290	1,750	3,580	
Ensure consistency and clarity of data reporting requirements for Medicare providers, suppliers, and contractors during public health emergencies .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
Enable the Secretary to temporarily modify or waive the application of specific requirements of the Clinical Laboratory Improvement Amendments of 1988 (CLIA) Act <sup>1</sup> .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
Department of State and United States Agency for International Development (USAID) .....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	
Strengthen the global health workforce, advance research and development capacity, and increase health security financing .....	.....	2,275	1,950	1,625	325	325	.....	.....	.....	.....	.....	6,500	6,500	
Subtotal, ensure future pandemic and public health preparedness .....	.....	17,516	33,269	21,536	13,485	9,828	7,420	3,761	3,231	3,186	3,246	95,634	116,478	

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**Table S-6. MANDATORY AND RECEIPT PROPOSALS—Continued**

(Deficit increases (+) or decreases (-) in millions of dollars)

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Totals		
												2023-2027	2023-2032	
Reclassifications:														
Shift the Indian Health Service from discretionary to mandatory funding:														
Technical Reclassification:														
Reduction in discretionary spending (non-add) .....		-7,398	-8,977	-9,498	-9,716	-9,939	-10,170	-10,402	-10,641	-10,886	-11,136	-45,528	-98,763	
Shift to mandatory spending ....		7,398	8,977	9,498	9,716	9,939	10,170	10,402	10,641	10,886	11,136	45,528	98,763	
Provide adequate funding and close service gaps .....			2,721	6,272	10,022	13,986	18,178	20,207	21,762	23,421	25,191	33,001	141,760	
Total IHS Request (Budget authority) (non-add) .....		9,121	12,731	16,535	20,545	24,777	29,246	30,956	32,771	34,697	36,741	83,709	248,120	
End Deficit Reduction Contributions from Passenger Security Fee .....		1,520	1,560	1,600	1,640	1,680						8,000	8,000	
Discretionary effects (non-add) ....		-1,520	-1,560	-1,600	-1,640	-1,680						-8,000	-8,000	
Provide mandatory funding for previously enacted Tribal Water Settlements Operations and Maintenance .....		20	34	34	34	34	34	34	34	34	34	156	326	
Discretionary effects (non-add) ....		-20	-34	-34	-34	-34	-34	-34	-34	-34	-34	-156	-326	
Reclassify Tribal Lease Payments ....		55	56	57	58	60	61	62	63	64	66	286	602	
Discretionary effects (non-add) ....		-55	-56	-57	-58	-60	-61	-62	-63	-64	-66	-286	-602	
Reclassify Contract Support Costs ...		237	397	410	422	434	447	456	466	474	484	1,900	4,227	
Discretionary effects (non-add) ....		-237	-397	-410	-422	-434	-447	-456	-466	-474	-484	-1,900	-4,227	
Subtotal, reclassifications .....		9,230	13,745	17,871	21,892	26,133	28,890	31,161	32,966	34,879	36,911	88,871	253,678	
Program integrity proposals:														
Capture savings to Medicare and Medicaid from Health Care Fraud and Abuse Control (HCFAC) allocation adjustment .....		-1,119	-1,181	-1,246	-1,315	-1,354	-1,393	-1,435	-1,479	-1,523	-1,569	-6,215	-13,614	
Implement HCFAC allocation adjustment, discretionary outlays (non-add) .....		576	593	611	629	648	667	687	708	729	751	3,057	6,599	
Net effect of HCFAC allocation adjustment (non-add) .....		-543	-588	-635	-686	-706	-726	-748	-771	-794	-818	-3,158	-7,015	
Capture savings to Unemployment Insurance (UI) from Reemployment Services and Eligibility Assessments (RESEA) allocation adjustment <sup>2</sup> .....	-290	-474	-684	-701	-630	-618	-597	-583	-574	-851	-911	-3,107	-6,623	
Implement RESEA allocation adjustment, discretionary outlays (non-add) .....	79	249	424	528	605	631	648	661	677	692	709	2,437	5,824	
Net effect of RESEA allocation adjustment (non-add) .....	-211	-225	-260	-173	-25	13	51	78	103	-159	-202	-670	-799	
Capture savings from the Social Security Administration (SSA) allocation adjustments <sup>3</sup> .....		-112	-1,776	-3,142	-3,992	-4,885	-6,021	-6,289	-7,440	-8,242	-8,981	-13,907	-50,880	



**Table S-6. MANDATORY AND RECEIPT PROPOSALS—Continued**

(Deficit increases (+) or decreases (-) in millions of dollars)

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Totals	
												2023-2027	2023-2032
<i>Implement SSA allocation adjustments, discretionary outlays (non-add)</i> .....		1,516	1,579	1,405	1,502	1,577	1,626	1,683	1,765	1,801	1,834	7,579	16,288
<i>Net effect of SSA allocation adjustments (non-add)</i> .....		1,404	-197	-1,737	-2,490	-3,308	-4,395	-4,606	-5,675	-6,441	-7,147	-6,328	-34,592
Subtotal, program integrity proposals .....	-290	-1,705	-3,641	-5,089	-5,937	-6,857	-8,011	-8,307	-9,493	-10,616	-11,461	-23,229	-71,117
Increase Afghan Special Immigrant Visas .....		52	81	80	72	66	64	58	52	53	54	351	632
Smooth and extend BBEDCA Section 251A sequestration .....									1,730	22,450	-36,537		-12,357
Proposals by Agency:													
Department of Defense--Military Programs:													
Extend authority to provide increased voluntary separation incentive pay for civilian employees of the Department of Defense .....		1	1	1								3	3
Authorize mandatory collection of Survivor Benefit Plan premiums from Veterans Disability Compensation .....													
Expand the current Medicare Eligible Retiree Health Care Fund to include all uniformed services retiree health care costs .....			464	462	406	351	209	52	-99	-235	-355	1,683	1,255
Establish reserve component duty status reform .....													
Department of Education													
Double the maximum Pell Grant by 2029 .....		2,666	7,880	11,832	15,813	19,960	24,787	30,055	33,063	33,696	34,360	58,151	214,112
Increase the Pell Grant discretionary award (effect on mandatory costs) ... ..			28	65	65	66	69	76	79	79	78	224	605
Shift mandatory funds to support Pell award increase .....			-28	-65	-65	-66	-69	-76	-79	-79	-78	-224	-605
Increase Title I funding .....		640	13,455	15,205	16,354	17,050	17,442	17,844	18,252	18,674	19,102	62,704	154,018
<i>Title I Mandatory Request (Budget authority) (non-add)</i> .....		16,000	16,368	16,745	17,130	17,523	17,927	18,338	18,761	19,192	19,634	83,766	177,618
Department of Energy:													
Strengthen clean energy manufacturing .....		40	100	160	180	190	160	100	40	20	10	670	1,000
Department of Health and Human Services:													
Fund the Administration's HIV/AIDS strategy:													
Eliminate barriers to pre-exposure prophylaxis (PrEP) under Medicaid .....		-290	-310	-340	-370	-390	-430	-460	-500	-530	-580	-1,700	-4,200

SUMMARY TABLES

**Table S-6. MANDATORY AND RECEIPT PROPOSALS—Continued**

(Deficit increases (+) or decreases (-) in millions of dollars)

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Totals	
												2023-2027	2023-2032
Establish PrEP Delivery Program to end the HIV epidemic .....		213	371	526	687	853	1,027	1,206	1,394	1,587	1,789	2,650	9,653
Extend and expand the Maternal Infant Early Childhood Home Visiting (MIECHV) program .....		19	142	415	532	611	646	502	116	22	.....	1,719	3,005
Provide CMS Program Management Implementation Funding .....		50	150	100	.....	.....	.....	.....	.....	.....	.....	300	300
Standardize data collection to improve quality and promote equitable care .....		.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Add Medicare coverage of services furnished by community health workers <sup>1</sup> .....		.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Establish a Contingency Fund for the Unaccompanied Children Program .....		696	1,315	1,439	789	201	108	62	31	.....	.....	4,440	4,641
Treat certain populations as refugees for public benefit purposes .....		111	122	127	132	138	133	11	4	4	4	630	786
Prohibit unsolicited Medicare beneficiary contacts <sup>1</sup> .....		.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Expand tools to identify and investigate fraud in the Medicare Advantage program <sup>1</sup> .....		.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Hold long-term care facility owners accountable for noncompliant closures and substandard care .....		.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Increase transparency by disclosing accreditation surveys .....		.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Remove restrictions on the certification of new entities as Organ Procurement Organizations and increase enforcement flexibility .....		.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Enhance the physician fee schedule conversion factor update in CY 2025 .....		.....	.....	250	380	410	430	460	480	500	540	1,040	3,450
Modify the Medicaid Drug Rebate Program in the Territories .....		.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Enhance Medicaid managed care enforcement .....		-100	-200	-200	-200	-200	-200	-200	-200	-300	-300	-900	-2,100
Medicaid interactions .....		.....	.....	60	100	100	30	.....	.....	.....	.....	260	290
Department of Homeland Security:													
Establish Electronic Visa Update System user fee <sup>2</sup> .....		.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....	.....
Extend expiring Customs and Border Protection (CBP) user fees .....		.....	.....	.....	.....	.....	.....	.....	.....	.....	-6,217	.....	-6,217
Establish an affordability program for the National Flood Insurance Program .....		43	328	375	427	480	534	580	630	676	720	1,653	4,793

**Table S-6. MANDATORY AND RECEIPT PROPOSALS—Continued**

(Deficit increases (+) or decreases (-) in millions of dollars)

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Totals		
												2023-2027	2023-2032	
Department of Justice:														
Combat and prevent crime .....		1,064	2,055	3,289	4,157	4,535	3,551	2,875	2,249	1,992	1,892	15,100	27,659	
Department of Labor:														
Shift timing of Pension Benefit Guarantee Corporation's Single Employer premiums .....				2,976	-2,976									
Expand Foreign Labor Certification Fees .....		4	5	-40	-2	4	4	5	6	6	7	-29	-1	
Department of the Treasury:														
Reduce paperwork burden by permanently authorizing current home to work transportation for the IRS Commissioner .....														
Amend the Bank Merger Act to allow for the transition of Treasury-sponsored debit cards accounts .....														
Fund the Federal Payment Levy Program via collections <sup>2</sup> .....		22	22	22	22	22	22	22	22	22	22	110	220	
Department of Veterans Affairs:														
Modernize records management program .....														
Extend authority for the Specially Adapted Housing Assistive Technology Grant Program .....		1	1	1	1	1						5	5	
Extend authority for Specially Adapted Housing Temporary Residence Adaptation grant .....		1	1	1	1	1	1	1	1	1	1	5	10	
Environmental Protection Agency:														
Expand use of pesticide licensing user fees .....		2	2	2	2	1	1	1				9	11	
General Services Administration:														
Establish and capitalize the Federal Capital Revolving Fund <sup>4</sup> .....		966	2,264	1,132	133	-133	83	-183	33	-47	-123	4,362	4,125	
Expand the Disposal Fund authorities .....		1	1	1	1	1	1	1	1	1	1	5	10	
International Assistance Programs:														
Fund renegotiated Compacts of Free Association <sup>1</sup> .....														
National Aeronautics and Space Administration:														
Distribute the Science, Space, and Technology Education Trust Fund ...		16										16	16	
Office of Personnel Management:														
Amend Administration of Tribal Federal Employees Health Benefits Program (FEHBP) Enrollment System .....		2	2	2	2	2	2	2	2	2	2	10	20	

SUMMARY TABLES

**Table S-6. MANDATORY AND RECEIPT PROPOSALS—Continued**

(Deficit increases (+) or decreases (-) in millions of dollars)

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Totals		
												2023-2027	2023-2032	
Expand Family Member Eligibility under the Federal Employees Dental and Vision Insurance Program (FEDVIP) .....														
Expand FEDVIP to Tribal Employers .....														
Expand FEHBP to Tribal Colleges and Universities .....														
Small Business Administration: Support SBA COVID programs' oversight and servicing .....														
Consumer Product Safety Commission: Strengthen mandatory recall authorities .....														
<b>Total, mandatory initiatives and savings .....</b>	<b>-129</b>	<b>40,717</b>	<b>86,403</b>	<b>90,765</b>	<b>88,029</b>	<b>97,081</b>	<b>98,749</b>	<b>100,325</b>	<b>103,784</b>	<b>126,177</b>	<b>63,481</b>	<b>387,911</b>	<b>867,868</b>	
<b>Tax proposals:</b>														
Reform business and international taxation:														
Raise the corporate income tax rate to 28 percent .....		-84,803	-138,145	-135,226	-135,582	-139,274	-142,559	-141,981	-141,953	-143,770	-146,591	-633,030	-1,349,884	
Adopt the Undertaxed Profits Rule ..			-20,427	-33,464	-29,329	-26,655	-26,170	-25,638	-25,109	-25,665	-27,006	-109,875	-239,463	
Provide tax incentives for locating jobs and business activity in the United States and remove tax deductions for shipping jobs overseas:														
Provide tax credit for inshoring jobs to the United States .....		8	13	14	14	15	16	16	17	18	18	64	149	
Remove tax deductions for shipping jobs overseas .....		-8	-13	-14	-14	-15	-16	-16	-17	-18	-18	-64	-149	
Subtotal, provide tax incentives for locating jobs and business activity in the United States and remove tax deductions for shipping jobs overseas .....														
Prevent basis shifting by related parties through partnerships .....		-3,320	-5,676	-5,912	-6,153	-6,401	-6,621	-6,785	-6,887	-6,959	-7,025	-27,462	-61,739	
Conform definition of "control" with corporate affiliation test .....		-761	-1,104	-1,125	-1,143	-1,158	-1,170	-1,179	-1,182	-1,182	-1,176	-5,291	-11,180	
Expand access to retroactive qualified electing fund elections ...			-1	-2	-2	-3	-4	-5	-6	-8	-9	-8	-40	
Expand the definition of foreign business entity to include taxable units .....		-310	-340	-305	-203	-93	-101	-108	-118	-126	-137	-1,251	-1,841	
Subtotal, reform business and international taxation .....		-89,194	-165,693	-176,034	-172,412	-173,584	-176,625	-175,696	-175,255	-177,710	-181,944	-776,917	-1,664,147	

**Table S-6. MANDATORY AND RECEIPT PROPOSALS—Continued**

(Deficit increases (+) or decreases (-) in millions of dollars)

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Totals		
												2023-2027	2023-2032	
Support housing and urban development:														
Make permanent the New Markets Tax Credit .....					97	278	483	716	990	1,290	1,602	375	5,456	
Subtotal, support housing and urban development .....					97	278	483	716	990	1,290	1,602	375	5,456	
Modify fossil fuel taxation:														
Eliminate fossil fuel tax preferences:														
Repeal the enhanced oil recovery credit .....														
Repeal the deduction for costs paid or incurred for any qualified tertiary injectant used as part of tertiary recovery method <sup>5</sup> .....														
Repeal credit for oil and natural gas produced from marginal wells .....														
Repeal expensing of intangible drilling costs .....		-1,737	-2,574	-1,967	-1,368	-704	-458	-494	-489	-470	-449	-8,350	-10,710	
Repeal exception to passive loss limitations provided to working interests in oil and natural gas properties .....		-10	-9	-9	-9	-8	-8	-8	-8	-7	-7	-45	-83	
Repeal the use of percentage depletion with respect to oil and natural gas wells .....		-1,126	-1,209	-1,235	-1,297	-1,376	-1,457	-1,531	-1,597	-1,666	-1,731	-6,243	-14,225	
Repeal accelerated amortization of air pollution control equipment ...		-14	-34	-54	-71	-88	-103	-117	-115	-103	-92	-261	-791	
Increase geological and geophysical amortization period for independent producers .....		-48	-179	-293	-335	-339	-333	-325	-313	-292	-264	-1,194	-2,721	
Repeal expensing of mine exploration and development costs .....		-151	-224	-171	-119	-62	-40	-43	-42	-42	-39	-727	-933	
Repeal percentage depletion for hard mineral fossil fuels .....		-198	-213	-218	-229	-243	-257	-270	-282	-294	-305	-1,101	-2,509	
Repeal capital gains treatment for royalties .....		-27	-52	-54	-57	-62	-64	-66	-69	-71	-73	-252	-595	
Repeal the exemption from the corporate income tax for fossil fuel publicly traded partnerships .....							-90	-176	-216	-253	-288		-1,023	
Repeal the Oil Spill Liability Trust Fund (OSLTF) excise tax exemption for crude oil derived from bitumen and kerogen-rich rock <sup>2 6</sup> .....		-29	-38	-39	-40	-41	-41	-42	-43	-45	-46	-187	-404	
Subtotal, eliminate fossil fuel tax preferences .....		-3,340	-4,532	-4,040	-3,525	-2,923	-2,851	-3,072	-3,174	-3,243	-3,294	-18,360	-33,994	

SUMMARY TABLES

**Table S-6. MANDATORY AND RECEIPT PROPOSALS—Continued**

(Deficit increases (+) or decreases (-) in millions of dollars)

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Totals		
												2023-2027	2023-2032	
Modify OSLTF financing and Superfund excise taxes:														
Eliminate the tax exemption for crude oil from bitumen and kerogen-rich rock for the Superfund <sup>6</sup> .....		-56	-77	-81	-85	-89	-89	-93	-96	-99	-102	-388	-867	
Eliminate drawback for the OSLTF <sup>6</sup> .....		-50	-67	-67	-68	-67	-68	-68	-68	-67	-68	-319	-658	
Subtotal, modify OSLTF financing and Superfund excise taxes .....		-106	-144	-148	-153	-156	-157	-161	-164	-166	-170	-707	-1,525	
Subtotal, modify fossil fuel taxation .....		-3,446	-4,676	-4,188	-3,678	-3,079	-3,008	-3,233	-3,338	-3,409	-3,464	-19,067	-35,519	
Strengthen taxation of high-income taxpayers:														
Increase the top marginal income tax rate for high earners .....	-6,687	-31,507	-43,855	-47,922	-13,924	-6,071	-9,967	-10,677	-11,372	-12,141	-13,034	-143,279	-200,470	
Reform the taxation of capital income .....	-313	-5,292	-15,962	-17,838	-18,215	-18,674	-19,152	-19,875	-20,689	-21,510	-22,359	-75,981	-179,566	
Impose a minimum income tax on the wealthiest taxpayers .....			-28,897	-37,255	-43,325	-47,838	-48,666	-48,097	-39,802	-34,080	-32,882	-157,315	-360,842	
Subtotal, strengthen taxation of high-income taxpayers .....	-7,000	-36,799	-88,714	-103,015	-75,464	-72,583	-77,785	-78,649	-71,863	-67,731	-68,275	-376,575	-740,878	
Support families and students:														
Provide income exclusion for student debt relief <sup>7</sup> .....					2	17	41	266	292	320	351	19	1,289	
Subtotal, support families and students .....					2	17	41	266	292	320	351	19	1,289	
Modify estate and gift taxation:														
Modify income, estate, and gift tax rules for certain grantor trusts .....		-456	-1,779	-2,383	-2,316	-3,983	-5,023	-5,558	-6,122	-6,983	-7,361	-10,917	-41,964	
Require consistent valuation of promissory notes .....		-226	-754	-741	-685	-700	-668	-655	-645	-625	-609	-3,106	-6,308	
Improve tax administration for trusts and decedents' estates .....		8	24	24	24	37	39	41	43	46	49	117	335	
Limit duration of generation-skipping transfer tax exemption .....														
Subtotal, modify estate and gift taxation .....		-674	-2,509	-3,100	-2,977	-4,646	-5,652	-6,172	-6,724	-7,562	-7,921	-13,906	-47,937	
Close loopholes:														
Tax carried (profits) interests as ordinary income .....		-406	-677	-675	-674	-672	-679	-692	-706	-720	-735	-3,104	-6,636	
Repeal deferral of gain from like-kind exchanges .....		-676	-1,857	-1,914	-1,971	-2,030	-2,091	-2,154	-2,218	-2,285	-2,354	-8,448	-19,550	
Require 100 percent recapture of depreciation deductions as ordinary income for certain depreciable real property .....		-37	-115	-239	-374	-519	-676	-846	-1,030	-1,229	-1,444	-1,284	-6,509	

**Table S-6. MANDATORY AND RECEIPT PROPOSALS—Continued**

(Deficit increases (+) or decreases (-) in millions of dollars)

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Totals	
												2023-2027	2023-2032
Limit a partner's deduction in certain syndicated conservation easement transactions .....		-925	-4,689	-2,739	-2,114	-1,488	-1,261	-1,299	-1,337	-1,377	-1,419	-11,955	-18,648
Limit use of donor advised funds to avoid private foundation payout requirement .....		-16	-15	-10	-6	-3	-2	-3	-3	-3	-3	-50	-64
Extend the period for assessment of tax for certain Qualified Opportunity Fund investors .....		-4	-13	-15	-15	-13	-10	-9	-8	-6	-2	-60	-95
Establish an untaxed income account regime for certain small insurance companies .....		-890	-2,241	-1,022	-867	-797	-764	-754	-745	-734	-724	-5,817	-9,538
Expand pro rata interest expense disallowance for business-owned life insurance .....		-616	-620	-648	-678	-712	-744	-779	-814	-853	-893	-3,274	-7,357
Correct drafting errors in the taxation of insurance companies under the Tax Cuts and Jobs Act of 2017 .....		-88	-117	-122	-107	-83	-76	-69	-62	-56	-51	-517	-831
Define the term "ultimate purchaser" for purposes of diesel fuel exportation <sup>6</sup> .....		-4	-6	-9	-10	-13	-14	-17	-20	-22	-24	-42	-139
Subtotal, close loopholes .....		-3,662	-10,350	-7,393	-6,816	-6,330	-6,317	-6,622	-6,943	-7,285	-7,649	-34,551	-69,367
Improve tax administration and compliance:													
Enhance accuracy of tax information:													
Expand the Secretary's authority to require electronic filing for forms and returns .....													
Improve information reporting for reportable payments subject to backup withholding .....		-38	-87	-148	-202	-211	-221	-231	-241	-252	-276	-686	-1,907
Subtotal, enhance accuracy of tax information .....		-38	-87	-148	-202	-211	-221	-231	-241	-252	-276	-686	-1,907
Address taxpayer noncompliance with listed transactions:													
Extend statute of limitations for listed transactions .....		-23	-51	-64	-78	-76	-74	-73	-72	-70	-69	-292	-650
Impose liability on shareholders to collect unpaid income taxes of applicable corporations .....		-442	-459	-479	-498	-519	-541	-564	-588	-614	-641	-2,397	-5,345
Subtotal, address taxpayer noncompliance .....		-465	-510	-543	-576	-595	-615	-637	-660	-684	-710	-2,689	-5,995
Amend the centralized partnership audit regime to permit the carryover of a reduction in tax that exceeds a partner's tax liability .....		5	5	5	5	6	6	7	7	7	7	26	60
Incorporate Chapters 2/2A in centralized partnership audit regime proceedings .....													

SUMMARY TABLES

**Table S-6. MANDATORY AND RECEIPT PROPOSALS—Continued**

(Deficit increases (+) or decreases (-) in millions of dollars)

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Totals	
												2023-2027	2023-2032
Authorize limited sharing of business tax return information to measure the economy more accurately .....													
Require employers to withhold tax on failed nonqualified deferred compensation plans .....		-555	-580	-605	-631	-658	-687	-718	-752	-787	-824	-3,029	-6,797
Impose an affirmative requirement to disclose a position contrary to a regulation .....		-5	-7	-11	-11	-12	-12	-14	-14	-15	-16	-46	-117
Extend to six years the statute of limitations for certain tax assessments .....													
Expand and increase penalties for noncompliant return preparation and e-filing and authorize IRS oversight of paid preparers:													
Expand and increase penalties for noncompliant return preparation and e-filing <sup>7</sup> .....		-14	-31	-38	-47	-53	-55	-56	-60	-62	-64	-183	-480
Grant authority to IRS for oversight of all paid preparers <sup>7</sup> .....		-26	-34	-45	-51	-50	-54	-59	-64	-71	-77	-206	-531
Subtotal, expand and increase penalties for noncompliant return preparation and e-filing and authorize IRS oversight of paid preparers ...		-40	-65	-83	-98	-103	-109	-115	-124	-133	-141	-389	-1,011
Address compliance in connection with tax responsibilities of expatriates .....			-1	-1	-1	-1	-1	-2	-2	-2	-2	-4	-13
Simplify foreign exchange gain or loss rules and exchange rate rules for individuals .....		1	2	2	2	3	3	3	3	3	3	10	25
Increase threshold for simplified foreign tax credit rules and reporting .....		18	27	28	30	31	31	32	31	33	36	134	297
Subtotal, improve tax administration and compliance ...		-1,079	-1,216	-1,356	-1,482	-1,540	-1,605	-1,675	-1,752	-1,830	-1,923	-6,673	-15,458
Modernize rules, including those for digital assets:													
Modernize rules treating loans of securities as tax-free to include other asset classes and address income inclusion .....													
Provide for information reporting by certain financial institutions and digital asset brokers for purposes of exchange of information .....		-28	-57	-107	-126	-133	-142	-150	-161	-172	-182	-452	-1,259
Require reporting by certain taxpayers of foreign digital asset accounts .....		-30	-60	-113	-132	-141	-150	-158	-169	-181	-191	-476	-1,325
Amend the mark-to-market rules to include digital assets .....		-2,907	-80	-88	-96	-106	-117	-128	-141	-155	-171	-3,277	-3,988



**Table S-6. MANDATORY AND RECEIPT PROPOSALS—Continued**

(Deficit increases (+) or decreases (-) in millions of dollars)

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Totals	
												2023-2027	2023-2032
Subtotal, modernize rules, including those for digital assets .....		-2,966	-197	-308	-354	-380	-409	-437	-471	-508	-543	-4,205	-6,572
Improve benefits tax administration:													
Clarify tax treatment of fixed indemnity health policies .....													
Clarify tax treatment of on-demand pay arrangements .....													
Rationalize funding for post-retirement medical and life insurance benefits .....													
Subtotal, improve benefits tax administration .....													
<b>Total, receipt proposals .....</b>	<b>-7,000</b>	<b>-137,820</b>	<b>-273,355</b>	<b>-295,394</b>	<b>-263,084</b>	<b>-261,847</b>	<b>-270,877</b>	<b>-271,502</b>	<b>-265,064</b>	<b>-264,425</b>	<b>-269,766</b>	<b>-1,231,500</b>	<b>-2,573,133</b>
<b>Grand total, mandatory and receipt proposals .....</b>	<b>-7,129</b>	<b>-97,103</b>	<b>-186,952</b>	<b>-204,629</b>	<b>-175,055</b>	<b>-164,766</b>	<b>-172,128</b>	<b>-171,177</b>	<b>-161,280</b>	<b>-138,248</b>	<b>-206,285</b>	<b>-843,589</b>	<b>-1,705,265</b>
<sup>1</sup> Estimates were not available at the time of Budget publication.													
<sup>2</sup> The estimates for this proposal includes effects on receipts. The receipt effects included in the totals above are as follows:													
Improve access to behavioral healthcare in the private insurance market .....		1,506	2,085	2,184	2,410	2,548	2,655	2,781	2,917	3,064	3,219	10,733	25,369
Require coverage of three primary care visits and three behavioral health visits without cost-sharing .....		959	1,331	1,389	1,552	1,646	1,716	1,795	1,884	1,979	2,078	6,877	16,329
Allow selective basis boosts for bond-financed Low-Income Housing Credit projects .....		2	29	140	354	617	895	1,148	1,359	1,561	1,769	1,142	7,874
Make adoption tax credit refundable and allow certain guardianship arrangements to qualify .....		11	42	42	42	42	42	42	42	42	42	179	389
Capture savings to UI from RESEA allocation adjustment .....			24	62	115	158	195	225	250	-12	-54	359	963
Establish user fee for Electronic Visa Update System .....		-47	-52	-58	-64	-72	-79	-88	-108	-118	-130	-293	-816
Fund the Federal Payment Levy Program via collections .....		22	22	22	22	22	22	22	22	22	22	110	220
<b>Total, receipt effects of mandatory proposals .....</b>		<b>2,453</b>	<b>3,481</b>	<b>3,781</b>	<b>4,431</b>	<b>4,961</b>	<b>5,446</b>	<b>5,925</b>	<b>6,366</b>	<b>6,538</b>	<b>6,946</b>	<b>19,107</b>	<b>50,328</b>
<sup>3</sup> Represents the savings associated with continuing to provide dedicated funding, through a discretionary allocation adjustment, for program integrity activities to confirm program participants remain eligible to receive benefits.													
<sup>4</sup> This proposal includes an intragovernmental transfer between the Federal Capital Revolving Fund (FCRF) and the Federal Building Fund (FBF). The collections and spending in the FBF, the receiving account, are not counted for PAYGO purposes because the proposal expects the PAYGO cost to be recorded in the FCRF. The intragovernmental transfers net to zero and are as follows:													
Establish and capitalize the Federal Capital Revolving Fund .....		-1,004	104	217	321	259	103						

<sup>5</sup> Effects are included in the estimate of "Repeal the enhanced oil recovery credit."

<sup>6</sup> Net of income offsets.

SUMMARY TABLES

**Table S-6. MANDATORY AND RECEIPT PROPOSALS—Continued**

(Deficit increases (+) or decreases (-) in millions of dollars)

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Totals	
												2023-2027	2023-2032
<sup>7</sup> The estimates for this proposal includes effects on outlays. The outlay effects included in the totals above are as follows:													
Provide income exclusion for student debt relief .....						1	1	21	24	27	29	1	103
Expand and increase penalties for noncompliant return preparation and e-filing .....			-6	-6	-7	-7	-7	-7	-8	-8	-8	-26	-64
Grant authority to IRS for oversight of all paid preparers .....		-12	-13	-20	-22	-18	-19	-21	-22	-25	-27	-85	-199
Total, outlay effects of receipt proposals ...		-12	-19	-26	-29	-24	-25	-7	-6	-6	-6	-110	-160

**Table S-7. ESTIMATED SPENDING FROM  
2023 BALANCES OF BUDGET AUTHORITY:  
DISCRETIONARY PROGRAMS**

(In billions of dollars)

	<b>Total</b>
Outlays from end-of-2023 balances:	
2024 .....	992.1
2025 .....	442.9
2026 .....	214.1
2027 .....	113.5
2028 .....	59.9
2029 .....	36.3
2030 .....	19.9
2031 .....	9.0
2032 .....	5.6

Note: Required by 31 USC 1106(a)(3). Balances as of the end of 2023 include unspent balances of discretionary budget authority provided in 2023 and prior years, as well as unspent balances of mandatory contract authority that is subject to discretionary obligation limitations.

**Table S-8. OUTLAYS FOR MANDATORY PROGRAMS UNDER CURRENT LAW<sup>1</sup>**

(In billions of dollars)

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	Totals	
													2023-2027	2023-2032
<b>Outlays:</b>														
Human resources programs:														
Education, training, employment and social services .....	162	139	108	52	36	37	38	39	40	40	41	41	271	471
Health .....	656	782	692	691	725	753	796	842	891	942	989	1,047	3,657	8,369
Medicare .....	689	751	842	849	972	1,049	1,151	1,310	1,260	1,423	1,500	1,655	4,862	12,010
Income security .....	1,556	854	598	575	579	589	582	605	616	643	661	677	2,924	6,125
Social security .....	1,129	1,211	1,340	1,449	1,540	1,632	1,727	1,826	1,927	2,029	2,135	2,243	7,688	17,847
Veterans' benefits and services .....	125	164	165	162	187	199	212	242	222	252	267	281	925	2,190
Subtotal, human resources programs .....	4,318	3,901	3,745	3,778	4,040	4,259	4,506	4,865	4,954	5,330	5,592	5,944	20,328	47,014
Other mandatory programs:														
International affairs .....	-12	-1	-1	-1	-4	-3	-3	-3	-3	-3	-4	-4	-12	-28
Energy .....	-*	-16	-6	3	4	1	-3	-3	-2	-1	-1	1	-1	-8
Natural resources and environment .....	2	-*	2	5	6	6	4	3	3	2	2	3	23	36
Agriculture .....	37	22	18	24	16	16	17	22	24	20	17	17	91	191
Commerce and housing credit .....	314	-7	-8	21	12	8	17	19	21	17	15	15	50	136
Transportation .....	36	22	13	5	2	2	1	3	3	-3	-3	4	22	26
Justice .....	6	5	5	3	3	2	1	1	1	1	*	7	14	24
General government .....	256	118	14	12	11	9	8	8	7	9	9	9	55	96
Undistributed offsetting receipts .....	-124	-234	-129	-134	-136	-140	-154	-147	-150	-154	-157	-161	-693	-1,462
Other functions .....	2	36	30	26	25	21	19	18	18	18	18	18	121	212
Subtotal, other mandatory programs .....	516	-56	-62	-36	-62	-78	-92	-78	-79	-95	-104	-92	-330	-778
Total, outlays for mandatory programs under current law ...	4,834	3,845	3,683	3,742	3,978	4,181	4,414	4,787	4,875	5,235	5,488	5,853	19,998	46,236

\*\$500 million or less.

<sup>1</sup>This table meets the requirements of 31 USC 1106(a)(2).

**Table S-9. FEDERAL GOVERNMENT FINANCING AND DEBT**

(Dollar amounts in billions)

	Actual 2021	Estimate										
		2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
<b>Financing:</b>												
Unified budget deficit:												
Primary deficit .....	2,423	591	740	681	717	569	502	573	395	485	463	482
Net interest .....	352	441	560	630	697	759	823	884	941	994	1,055	1,118
Unified budget deficit .....	2,775	1,032	1,300	1,312	1,414	1,328	1,325	1,457	1,336	1,478	1,518	1,600
As a percent of GDP .....	12.4%	4.2%	4.9%	4.8%	5.0%	4.5%	4.3%	4.5%	4.0%	4.2%	4.1%	4.2%
Other transactions affecting borrowing from the public:												
Changes in financial assets and liabilities: <sup>1</sup>												
Change in Treasury operating cash balance .....	-1,567	435										
Net disbursements of credit financing accounts:												
Direct loan and Troubled Asset Relief Program (TARP)												
equity purchase accounts .....	-18	126	63	45	39	12	25	21	21	17	21	27
Guaranteed loan accounts .....	310	236	7	7	8	7	7	6	6	5	5	5
Net purchases of non-Federal securities by the National												
Railroad Retirement Investment Trust (NRRIT) .....	4	-2	-1	-2	-2	-2	-2	-1	-1	-1	-1	-1
Net change in other financial assets and liabilities <sup>2</sup> .....	-237	238										
Subtotal, changes in financial assets and liabilities .....	-1,508	1,032	68	51	46	18	30	26	25	21	26	31
Seigniorage on coins .....	_*	_*	_*	_*	_*	_*	_*	_*	_*	_*	_*	_*
Total, other transactions affecting												
borrowing from the public .....	-1,508	1,031	68	50	45	17	30	25	24	21	25	31
Total, requirement to borrow from the public (equals												
change in debt held by the public) .....	1,267	2,063	1,367	1,362	1,459	1,346	1,355	1,482	1,360	1,499	1,543	1,631
<b>Changes in Debt Subject to Statutory Limitation:</b>												
Change in debt held by the public .....	1,267	2,063	1,367	1,362	1,459	1,346	1,355	1,482	1,360	1,499	1,543	1,631
Change in debt held by Government accounts .....	216	485	169	154	50	45	-130	-224	-127	-235	-245	-362
Change in other factors .....	-2	1	1	1	_*	*	1	1	*	-1	-1	-1
Total, change in debt subject to statutory limitation .....	1,481	2,549	1,537	1,517	1,509	1,391	1,226	1,260	1,234	1,263	1,297	1,268
<b>Debt Subject to Statutory Limitation, End of Year:</b>												
Debt issued by Treasury .....	28,365	30,912	32,448	33,964	35,473	36,863	38,088	39,347	40,580	41,843	43,140	44,408
Adjustment for discount, premium, and coverage <sup>3</sup> .....	36	38	39	40	40	40	41	42	43	43	43	43
Total, debt subject to statutory limitation <sup>4</sup> .....	28,401	30,950	32,487	34,004	35,513	36,903	38,129	39,389	40,623	41,885	43,182	44,451
<b>Debt Outstanding, End of Year:</b>												
Gross Federal debt: <sup>5</sup>												
Debt issued by Treasury .....	28,365	30,912	32,448	33,964	35,473	36,863	38,088	39,347	40,580	41,843	43,140	44,408
Debt issued by other agencies .....	21	21	21	21	22	22	22	22	22	23	24	25
Total, gross Federal debt .....	28,386	30,933	32,470	33,985	35,494	36,885	38,110	39,369	40,602	41,866	43,164	44,433
As a percent of GDP .....	126.9%	125.4%	123.4%	124.0%	124.4%	124.2%	123.2%	122.3%	121.0%	119.5%	118.0%	116.4%

SUMMARY TABLES

**Table S-9. FEDERAL GOVERNMENT FINANCING AND DEBT—Continued**

(Dollar amounts in billions)

	Estimate											
	Actual 2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Held by:												
Debt held by Government accounts .....	6,102	6,586	6,755	6,909	6,959	7,004	6,874	6,650	6,524	6,288	6,044	5,682
Debt held by the public <sup>6</sup> .....	22,284	24,347	25,714	27,076	28,536	29,881	31,236	32,719	34,079	35,578	37,121	38,752
As a percent of GDP .....	99.6%	98.7%	97.7%	98.8%	100.0%	100.6%	101.0%	101.6%	101.5%	101.6%	101.5%	101.5%
<b>Debt Held by the Public Net of Financial Assets:</b>												
Debt held by the public .....	22,284	24,347	25,714	27,076	28,536	29,881	31,236	32,719	34,079	35,578	37,121	38,752
Less financial assets net of liabilities:												
Treasury operating cash balance .....	215	650	650	650	650	650	650	650	650	650	650	650
Credit financing account balances:												
Direct loan and TARP equity purchase accounts .....	1,595	1,721	1,783	1,828	1,867	1,879	1,905	1,926	1,946	1,963	1,985	2,012
Guaranteed loan accounts .....	-156	79	86	94	102	109	116	122	128	133	138	143
Government-sponsored enterprise stock <sup>7</sup> .....	221	221	221	221	221	221	221	221	221	221	221	221
Air carrier worker support warrants and notes <sup>8</sup> .....	15	15	15	15	14	13	13	12	12	6	.....	.....
Emergency capital investment fund securities .....	.....	3	3	3	3	3	3	3	3	3	2	2
Non-Federal securities held by NRRIT .....	28	25	24	22	21	19	17	16	14	13	12	11
Other assets net of liabilities .....	-307	-69	-69	-69	-69	-69	-69	-69	-69	-69	-69	-69
Total, financial assets net of liabilities .....	1,611	2,645	2,713	2,764	2,809	2,826	2,855	2,880	2,905	2,920	2,939	2,971
Debt held by the public net of financial assets .....	20,673	21,702	23,001	24,312	25,727	27,056	28,381	29,838	31,174	32,658	34,181	35,781
As a percent of GDP .....	92.4%	88.0%	87.4%	88.7%	90.2%	91.1%	91.8%	92.7%	92.9%	93.2%	93.5%	93.7%

\* \$500 million or less.

<sup>1</sup>A decrease in the Treasury operating cash balance (which is an asset) is a means of financing a deficit and therefore has a negative sign. An increase in checks outstanding (which is a liability) is also a means of financing a deficit and therefore also has a negative sign.

<sup>2</sup>Includes checks outstanding, accrued interest payable on Treasury debt, uninvested deposit fund balances, allocations of special drawing rights, and other liability accounts; and, as an offset, cash and monetary assets (other than the Treasury operating cash balance), other asset accounts, and profit on sale of gold.

<sup>3</sup>Consists mainly of debt issued by the Federal Financing Bank (which is not subject to limit), the unamortized discount (less premium) on public issues of Treasury notes and bonds (other than zero-coupon bonds), and the unrealized discount on Government account series securities.

<sup>4</sup>The statutory debt limit is \$31,381 billion, as enacted on December 16, 2021.

<sup>5</sup>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 otherwise measured at face value less unrealized discount (if any).

<sup>6</sup>At the end of 2021, the Federal Reserve Banks held \$5,433.2 billion of Federal securities and the rest of the public held \$16,850.9 billion. Debt held by the Federal Reserve Banks is not estimated for future years.

<sup>7</sup>Treasury's warrants to purchase 79.9 percent of the common stock of the enterprises expire after September 7, 2028. The warrants were valued at \$5 billion at the end of 2021.

<sup>8</sup>Portions of the notes and warrants issued under the Air carrier worker support program (Payroll support program) are scheduled to expire in 2025, 2026, 2030, and 2031.





EXECUTIVE OFFICE OF THE PRESIDENT  
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