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TAX FEATURES

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Uncle Sam's Tax and Spending Policies Benefit Some States, Punish Others

Federal Expenditures Per Dollar of Taxes by State Fiscal Years 1987 and 1997

	Expenditures Per Dollar of Taxes		Ranking			Expenditures Per Dollar of Taxes		Ranking	
	FY87	FY97	FY87	FY97		FY87	FY97	FY87	FY97
Total	$1.00	$1.00	-	-	Total	$1.00	$1.00	-	-
Alabama	1.39	1.37	8	11	Montana	1.44	1.48	7	5
Alaska	1.29	1.41	13	8	Nebraska	1.18	0.97	20	34
Arizona	1.23	1.08	16	23	Nevada	0.92	0.73	39	48
Arkansas	1.38	1.32	9	15	New Hampshire	0.71	0.73	49	46
California	0.95	0.93	34	35	New Jersey	0.62	0.69	50	49
Colorado	1.14	0.91	22	38	New Mexico	2.03	1.89	1	1
Connecticut	0.81	0.67	45	50	New York	0.84	0.86	43	41
Delaware	0.77	0.82	46	42	North Carolina	0.92	1.02	38	27
Florida	0.99	1.06	31	24	North Dakota	1.73	1.62	2	2
Georgia	1.02	0.99	29	30	Ohio	0.91	0.92	40	37
Hawaii	1.35	1.46	11	7	Oklahoma	1.19	1.39	19	9
Idaho	1.37	1.15	10	19	Oregon	0.95	0.92	35	36
Illinois	0.72	0.73	48	47	Pennsylvania	0.96	1.03	33	26
Indiana	0.91	0.90	41	40	Rhode Island	0.97	1.13	32	22
Iowa	1.11	1.06	27	25	South Carolina	1.22	1.22	17	18
Kansas	1.12	0.99	25	31	South Dakota	1.58	1.33	4	14
Kentucky	1.14	1.36	23	13	Tennessee	1.15	1.14	21	20
Louisiana	1.13	1.36	24	12	Texas	0.93	0.97	36	33
Maine	1.20	1.38	18	10	Utah	1.47	1.01	6	28
Maryland	1.26	1.30	14	16	Vermont	0.88	1.00	42	29
Massachusetts	1.01	0.91	30	39	Virginia	1.50	1.48	5	6
Michigan	0.74	0.76	47	45	Washington	1.12	0.97	26	32
Minnesota	0.92	0.77	37	44	West Virginia	1.24	1.61	15	3
Mississippi	1.69	1.58	3	4	Wisconsin	0.83	0.81	44	43
Missouri	1.33	1.23	12	17	Wyoming	1.09	1.13	28	21
					Dist. of Columbia	5.28	6.17	-	-

Source: Tax Foundation.

The federal tax burden falls much more heavily on some states than others, according to a new Tax Foundation Special Report titled *The 1998 Federal Tax Burden by State*. In addition to estimating the federal tax burden in each state for fiscal years 1998 and 1999, economists Patrick Fleenor and Scott Moody compare the 1997 federal tax burden by state with an adjusted set of the Census Bureau's 1997 data on federal expenditures by state. The result is a ranking of the 50 states in order of which got the best deal from Uncle Sam's tax and spending policies.

During FY 1997, the federal tax burden nationwide was $5,820 per capita. However, taxpayers in some states paid much higher or lower amounts due to their states' different economies, and they received more or less in federal benefits depending on the economic and demographic profiles of their states.

This disparity in state payments and benefits changes substantially over the years, as the table at left shows. West Virginia has improved its position the most over the past decade, having received $1.61 per dollar paid in 1997 compared to $1.24 ten years earlier. Louisiana, Kentucky and Rhode Island also dramatically increased their ratios of benefits

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FRONT & CENTER

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Senator Don Nickles (R-OK)

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Federal Tax Burden Climbs As Economic Growth Boosts Government Collections

Wealthier States Pay the Lion's Share of Federal Taxes

The average American's per capita federal tax bill will reach $6,031 in 1998, up 3.6 percent over last year's, according to the Tax Foundation's latest Special Report, *The 1998 Federal Tax Burden by State.*

In nominal terms, the per capita federal tax burden is 44.1 percent higher this year than in 1992, and 65.5 percent higher than it was in 1988. Authors Patrick Fleenor and Scott Moody project that the per capita federal tax burden will climb to $6,232 by fiscal year 1999, a 3.3 percent increase (see Figure 1 at right).

Over 80 percent of these revenues comes from just two sources: 47.3 percent from individual income taxes and 35.2 percent from social insurance taxes such as Social Security. Corporate income taxes will generate 11.8 percent of federal tax revenue; excise taxes such as beer, wine, tobacco and gasoline taxes will account for 3.4 percent; and the remainder is brought in by estate and gift taxes, customs duties, and miscellaneous taxes (see Figure 2 below right).

The average federal tax bill for fiscal 1998 will range from a high of $9,469 in Connecticut to a low of $4,030 in Mississippi (see Figure 3 on page 3 above).

This variation in per capita federal tax burden by state is primarily due to differences in per capita income among the states. Since the federal government's primary revenue raisers, individual income and payroll taxes, are levied as a percentage of income, states with high per capita income tend to have high per capita federal tax collections. This effect is exacerbated by the progressivity of the federal tax system which causes tax burdens to rise more than proportionally with income.

In assessing tax collections, the Treasury Department does not allocate federal taxes among the states. Instead, it simply shows where taxes are collected. Data on federal excise taxes on alcohol and tobacco, for example, show high tax collections in producing states. In order to show more precisely who ultimately bears the burden of federal levies, the Tax Foundation uses its allocation model to show which states are actually shouldering the federal tax burden.

Figure 1
Per Capita Federal Tax Burden
Fiscal Years 1980 - 1999e

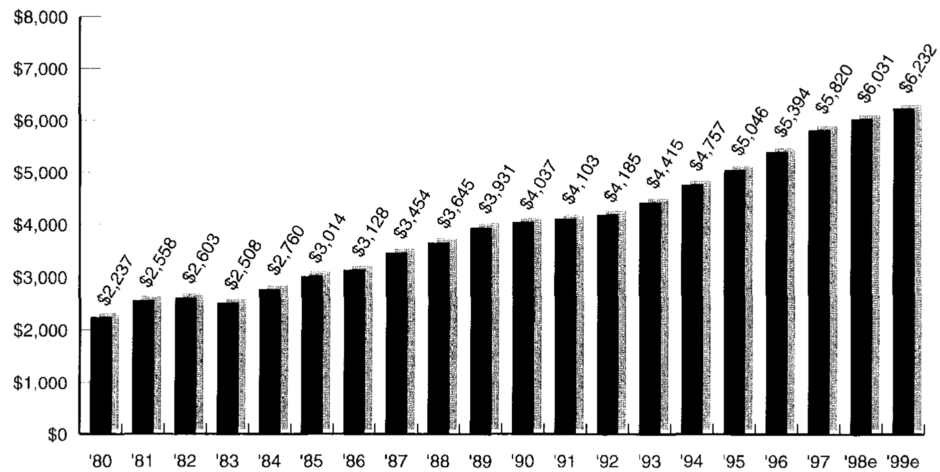
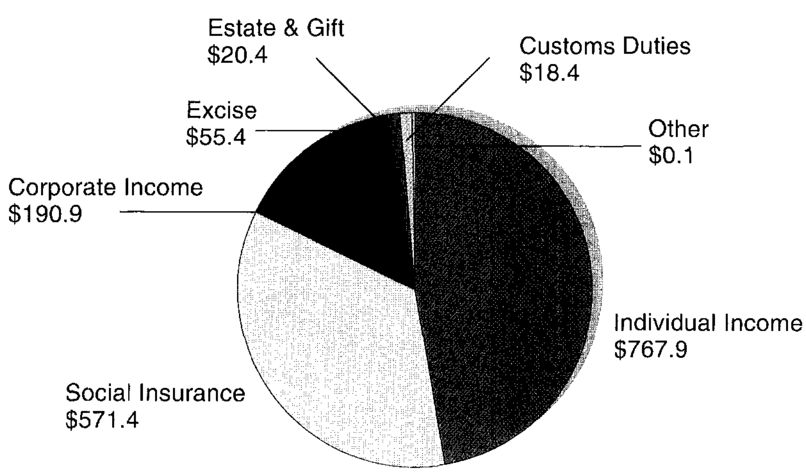


Figure 2
Federal Tax Collections by Type of Tax
Fiscal Year 1998e
$Billions



Source: Tax Foundation

Figure 3
Per Capita Federal Tax Burden by State
Fiscal Years 1997 - 1999e

	1997	1998e	1999e	Rank 1998		1997	1998e	1999e	Rank 1998
Total	$5,820	$6,031	$6,232	-	Total	$5,820	$6,031	$6,232	-
Alabama	4,635	4,795	4,968	38	Montana	4,297	4,364	4,458	45
Alaska	5,994	5,968	5,961	19	Nebraska	5,395	5,651	5,903	25
Arizona	5,099	5,334	5,548	31	Nevada	6,549	6,696	6,824	8
Arkansas	4,210	4,359	4,530	46	New Hampshire	6,516	6,736	6,928	7
California	6,020	6,256	6,475	14	New Jersey	7,969	8,223	8,463	2
Colorado	6,168	6,367	6,541	13	New Mexico	4,202	4,294	4,407	48
Connecticut	9,073	9,469	9,840	1	New York	6,846	7,102	7,332	4
Delaware	6,378	6,588	6,788	9	North Carolina	5,135	5,338	5,527	30
Florida	5,945	6,156	6,345	15	North Dakota	4,589	4,746	4,922	40
Georgia	5,435	5,652	5,866	24	Ohio	5,488	5,698	5,895	20
Hawaii	5,257	5,183	5,129	35	Oklahoma	4,209	4,320	4,447	47
Idaho	4,493	4,564	4,657	43	Oregon	5,465	5,669	5,868	22
Illinois	6,784	7,063	7,312	5	Pennsylvania	5,869	6,084	6,292	16
Indiana	5,304	5,464	5,625	27	Rhode Island	5,822	5,983	6,141	18
Iowa	4,999	5,201	5,400	34	South Carolina	4,622	4,801	4,990	37
Kansas	5,448	5,663	5,869	23	South Dakota	4,663	4,792	4,939	39
Kentucky	4,457	4,619	4,794	42	Tennessee	5,178	5,347	5,520	29
Louisiana	4,339	4,491	4,650	44	Texas	5,260	5,454	5,639	28
Maine	4,670	4,820	4,978	36	Utah	4,558	4,742	4,921	41
Maryland	6,558	6,737	6,895	6	Vermont	5,099	5,255	5,420	33
Massachusetts	7,491	7,852	8,183	3	Virginia	5,917	6,076	6,233	17
Michigan	6,204	6,497	6,768	10	Washington	6,212	6,417	6,602	12
Minnesota	6,185	6,455	6,699	11	West Virginia	3,948	4,064	4,198	49
Mississippi	3,872	4,030	4,202	50	Wisconsin	5,496	5,692	5,881	21
Missouri	5,338	5,529	5,724	26	Wyoming	5,262	5,300	5,406	32
					District of Columbia	7,703	7,862	8,011	-

Source: Tax Foundation

Winners and Losers

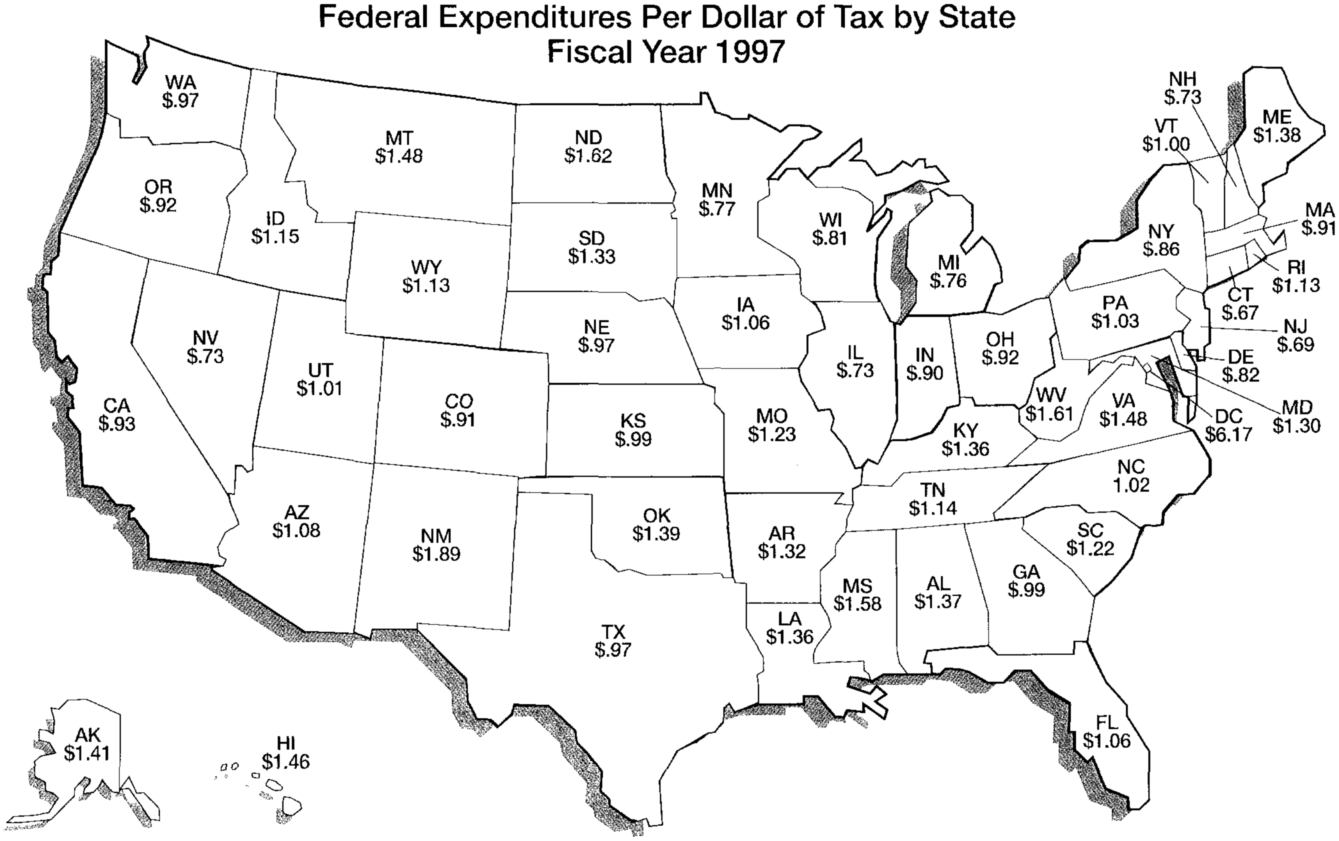
Continued from page 1

received to taxes paid. On the other hand, Utah's ratio has declined from $1.47 to $1.01. Nevada and Colorado also saw their ratios drop.

In FY 1997, taxpayers in New Mexico got the best deal from Uncle Sam (see map below). They received $1.89 in federal outlays for every $1.00 they paid in federal taxes, in effect almost doubling their money. Other big winners were North Dakota, West Virginia, Mississippi, and Montana. If it were a state, the District of Columbia would be by far the biggest winner. In 1997 it received $6.17 in federal outlays for every dollar it sent to the U.S. Treasury.

At the other end of the spectrum are states that did not find themselves the target of federal largesse, despite having paid, in many cases, hefty federal taxes. Connecticut's taxpayers received only 67¢ in federal benefits for every dollar they sent to Washington. Other states that got the short end of the stick were New Jersey, Nevada, Illinois, and New Hampshire.

Federal Expenditures Per Dollar of Tax by State
Fiscal Year 1997



Defeating the Tobacco Bill: A Victory for the Little Guy, Not for Big Tobacco

By Senator Don Nickles (R-OK)

The Senate's recent defeat of S. 1415, the much talked about tobacco bill, was a major victory for the American taxpayer and a defeat for those who believe every problem can and should be solved by government.

Why is it a victory and not a disappointment, as it was portrayed by its supporters in and out of the Congress, and by so many reporters? Because the focus of this bill is not public health. It is not about reducing teenage smoking. It is not about reimbursing the federal and state governments for costs borne by Medicare and Medicaid due to past smoking. It is not even about punishing tobacco companies for selling products that are now unpopular among the nation's elite. The original tobacco settlement was about each of these things to one extent or another. But the bill defeated in the Senate was in truth about none of them. This bill is about raising taxes to grow government, and the Senate, correctly in my opinion, said no.

Tobacco companies are not terribly popular across the land, except to their tens of thousands of employees and shareholders. Contrary to popular belief, however, S. 1415 would not tax cigarette companies. It would tax low-income Americans. S. 1415 includes a large increase in the federal tobacco excise. The very nature of an excise tax on any product is that the users of that product pay the tax. The manufacturers just pass it on. The tobacco tax hike would not burden the companies; it would be paid by smokers.

The administration and its allies in the Congress like to portray themselves as friends of the poor, but the tobacco bill showed their true colors. Whether the administration wants to admit it or not, it is the poor who do most of the smoking in this country. As a result, the tobacco tax hike would have been paid predominantly by the poor. To add insult to injury, the huge amount of tax revenue that the tobacco bill would rake in from low-income taxpayers would not go to victims of cancer or other smoking-related diseases, and it would not deter teenagers from smoking. It would be funneled directly into government coffers.

> ***"The huge amount of tax revenue that the tobacco bill would have raked in from low-income taxpayers would not have gone to victims of cancer or other smoking-related diseases, and it would not have deterred teenagers from smoking. It would have been funneled directly into government coffers."***

To be sure, the bill that emerged from the Senate Commerce Committee does not simply raise the existing federal excise tax on tobacco by $1.10 per pack, the widely reported figure for how much extra money smokers would be spending. Instead, it says that tobacco companies must pay the government $10 billion upon the legislation's enactment, then $14.4 billion in the first year, $15.4 billion in the second year, $17.7 billion in the third year, $21.4 billion in the fourth year, and $23.6 billion in the fifth year. Thereafter, the payments stay at $23.6 billion for 20 years, plus an annual adjustment of 3 percent for inflation.

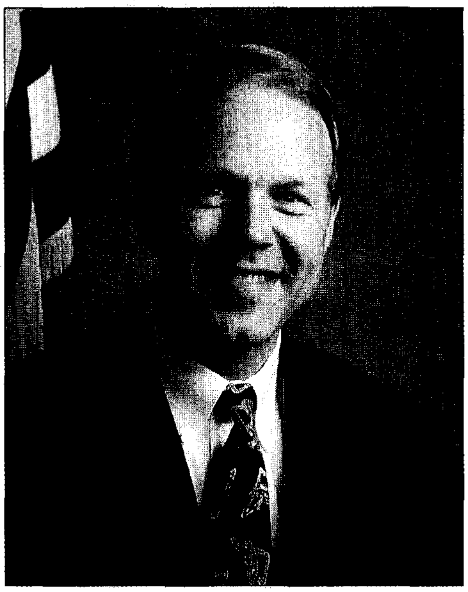
In theory, this would all add up to $516 billion in taxes that tobacco companies would be collecting from their customers and paying to the federal government, with the extra cost per pack reaching $1.10 in the fifth year of the 25-year period of mandated payments.

However, this theory is based on two dubious assumptions: sales to adults will stay constant, and sales to minors will fall dramatically to meet the bill's targets. Since neither of these conditions is actually predicted by anyone to hold true, the stiff penalties built into the legislation would kick in, making the additional cost to a pack of cigarettes a lot more than $1.10.

But the estimates in the bill are even more deceptive than that. The only way to arrive at $516 billion in payments is to deflate the industry payments to constant 1998 dollars. This is the first time in my experience that a bill was reported in constant dollars, and the effect is obvious: it understates the industry cap. If the figures were reported as they are normally done, in current dollars, the reported total cost of the bill would be much greater.

The plan to phase the tax in over five years is further evidence that this tax hike was not about curbing smoking, but about raising revenues. To reduce tobacco consumption with sticker shock, it would make sense just to slam smokers with the whole tax right away. Of course, such a tax is a bad idea whether it's phased in or levied all at once, but phasing the tax in would allow consumers to adjust more easily to the higher price, thereby reducing the tax's dissuasive effects (and preserving the increased revenue stream to the government).

Whatever the final cost of the bill,



the key fact is that these costs would be paid over by the companies, but the burden would not be borne by the tobacco companies. The burden would be borne by taxpayers, by smokers, predominantly by lower-income citizens.

But perhaps the most damning failure of the tobacco bill is its hollow rhetoric about teenage smokers. After all, the bill's official name is The National Tobacco Policy and Youth Smoking Reduction Act, and a key

"The added cost to a pack of cigarettes would be a lot more than the widely reported $1.10."

selling point for the bill's supporters is the need to reduce underage smoking. However, The legislation as written would not make a dent in teenage smoking, all the while making a huge dent in the pocketbooks of low-income Americans.

The trouble with the bill's approach to the problem of teenage smoking is that only two percent of all tobacco is consumed by teenagers. And it is already against the law for teenagers to smoke in every state. Furthermore, most teenagers are occasional smokers, and teenagers who do smoke tend to buy the more expensive brands of cigarettes. Teenagers who smoke or who may become smokers, therefore, are unlikely to be discouraged from smoking by higher prices. These facts about teenage tobacco consumption are well known by all parties involved with the bill, so the effort to sell the tobacco bill for its deterrence of underage smoking is a fraud.

To determine the impact of the tobacco bill on teenage smoking, the legislation would provide funds to conduct a poll asking teens if they smoke and if so, what brand. The results of such a poll, given at any time in any part of the country, would be deemed accurate enough to assess penalties on tobacco companies for failing to cut teenage smoking by the percentages spelled out in the bill. The penalties assessed against the companies would range from $80 million to $240 million per percentage point below the goal. Other legal and financial penalties are built into the legislation, and of course, these penalties would ultimately be paid by all smokers, not just teenagers, thereby raising the price of cigarettes even more.

There are hundreds of brands of cigarettes. Maybe when they were polled, teenagers would remember the brands they bought, maybe they wouldn't. Maybe they would tell the truth, maybe they wouldn't. Once teenagers understood that by responding to the poll they could affect the price they paid for cigarettes, it is fairly obvious we would be creating an incentive for teenagers not to tell the truth. That cannot be good policy.

It is worth looking at another hypocrisy surrounding the tobacco bill. A lot of people are going after the tobacco companies and smokers, and yet they are silent about drug use. Are illegal drugs no longer a menace? Has illegal drug use suddenly declined? Hardly.

Marijuana use, for example, has skyrocketed under the Clinton administration. Reported marijuana use in 1992 among 12th graders was 11.9 percent. Last year it was 23.8 percent — a 100 percent increase among high school seniors in just six years. That is a staggering statistic. Why focus only on cigarettes? Are they really a greater

"I don't like smoking, especially teen smoking. But the answer is not a bill that spends hundreds of billions of dollars and passes the largest tax increase in years. We need to promote the healthy growth of America's teenagers, not the unhealthy growth of the federal government."

threat, or just a more convenient one, politically and fiscally.

I don't like smoking. I don't like teen smoking, especially. But the answer is not a program that spends hundreds of billions of dollars and passes the largest tax increase in years. We need to promote the healthy growth of America's teenagers, not the unhealthy growth of the federal government.

In the weeks ahead, I will work to pass reasonable, effective legislation to reduce teenage consumption of drugs and tobacco. Such a bill will not spend hundreds of billions of dollars just so that government can grow. Such a bill will not disguise a huge tax increase as a public health measure. And such a bill will not just bleat about teenage tobacco consumption without taking any credible action to discourage it.

The Tax Foundation invites a national leader to provide a "Front and Center" column each month in Tax Features. *The views expressed are not necessarily those of the Tax Foundation.*

Study Attacks Tobacco Bill's Basic Premises

Gravelle Questions Governments' Financial Claims Against Smokers and Tax Hike's Ability to Reduce Teen Smoking

The tobacco tax hike in Senator John McCain's recent tobacco bill would not have achieved its goals and would have fallen heavily on the poor, according to economist Jane Gravelle's new study, *Burning Issues in the Tobacco Settlement:An Economic Perspective.*

Considering the evidence that teenage smokers are relatively impervious to price increases, Gravelle concludes that the legislation's $15 or $20 billion tax would have failed in its attempt to discourage youthful smoking and that a similar tax would be a serious drawback to any new version of the settlement.

"A large, regressive tax is an ineffective and undesirable way to discourage youthful smoking."

Another important conclusion of the study is that the early deaths of smokers actually save governments money.This is true because the cost of treating smoking-related illness is dwarfed by the savings to Social Security and other government programs for the elderly.

Published as Tax Foundation's Background Paper No. 25, Gravelle's economic analysis of the two attempts at a tobacco settlement takes all aspects of public and private finance into account.This approach produces a much clearer picture of who the winners and losers would be in any future settlement that resembles the private settlement reached in June 1997 or S. 1415, Senator McCain's recent bill.

Gravelle finds that for economic reasons, the settlements were poorly designed whether they are considered as a corrective tax to discourage smoking or as a kind of product liability settlement.

As a corrective tax, it must be kept in mind that tobacco taxes are especially regressive; that is, they are paid disproportionately by the poor.This is because smokers tend to consume the same amounts regardless of income, and smoking is more prevalent at lower incomes.

Asserting that a higher tobacco tax would not deter underage smoking, Gravelle cites the University of Michigan's Monitoring the Future Survey. It shows that while 36.5 percent of high school seniors smoked at least one cigarette in the past month, only 24.6 percent smoked at least one cigarette daily, and only 14.3 percent smoked more than ten cigarettes daily. This low daily consumption makes price less important, and along with the well-known teenage practice of smoking for status, makes sense of the teenage preference for higher priced premium brands.These observations cast doubt on the effectiveness of price increases as a tool to prevent teenagers smoking.And because ninety-eight percent of tobacco is smoked by adults, Gravelle concludes that a large, regressive tax is an ineffective and undesirable way to discourage youthful smoking.

Product liability settlements are supposed to deter future misbehavior by the product's manufacturer and to reimburse those who have suffered because of the product.The tobacco bill would not have prevented the early deaths of future smokers for three reasons: tobacco products would not have changed; public knowledge of their health hazards would not have been greatly improved because they are already well known; and the payments would have been imposed as taxes.This last point is significant because legal settlements are normally imposed in lump-sum amounts that fall principally on stockholders' profits instead of being passed on in price as taxes are.

The settlement also would have done a poor job of reimbursement. Citing the Center for Disease Control's 1994 study, Gravelle points out that state governments have the weakest claim to compensation, having paid only $3.6 billion of 1993's $50 billion in direct expenditures on tobacco-related health care.The federal government paid $18.1 billion, private insurers and other parties paid $17.8 billion, and individual smokers paid $10.5 billion.

Gravelle then goes beyond the $50 billion, taking into account morbidity and mortality costs and all the financial transfers that result from the sickness and early deaths of smokers.The result is a much larger cost, but one that falls much more heavily on smokers themselves. In fact, federal and state governments pay out less in smoking-related health costs than they save on Social Security and other programs.

"Smokers currently save the federal government almost $35 billion per year and state governments $2.1 billion."

Of course, smokers' premature deaths are a loss to society, but the resulting financial transfer from smokers to governments and private insurers cannot be ignored, especially when estimating compensatory damages for settlements.

When all financial aspects are accounted for, smokers (past and present) currently save the federal government almost $35 billion per year and state governments $2.1 billion. Private third parties save $5.4 billion because a $22 billion saving in pensions offsets the net costs smokers impose on employer health plans.

FOUNDATION MESSAGE

Chinese Impressionism

J.D. Foster, Ph.D.
Executive Director &
Chief Economist
Tax Foundation

Seeing China firsthand made a deep impression on me. Perhaps that shouldn't be surprising, since it is, after all, a country of 1.25 billion people. But that's not really what was so impressive.

I recently returned from a week-long conference in Asia, most of which took place in Shanghai and Beijing. My previous impressions of China were formed either by images of Chinese soldiers battling U.S. troops in the Korean War, or by the thought of how millions of Chinese were murdered or starved to death under the colossally stupid policies of Mao Tse-tung's Cultural Revolution.

I also have strong memories of hope from the late 1980s, followed by great sadness after the massacre of students in Tiananmen Square. At the time a close friend of mine was clandestinely getting as many students out of China as he could. One time he even called the British Ambassador in Washington at his home in the middle of the night to demand an entry visa into Hong Kong for one hunted student. In short, my previous views of China and its repressive Communist regime were less than favorable.

Before I left for the conference I did as much reading about China as I could. What I learned from reading was confirmed during my visit — the progress leading up to Tiananmen Square has resumed, and the massacre was actually the last terrible gasp of a dying regime.

They say that around 15 percent of the world's construction cranes are in operation in Shanghai. That figure seems incredible, but after viewing the skyline from the Pearl towers in downtown Shanghai, I'm not willing to question the figure. And we're not talking little 20- and 30-story buildings here. These cranes were erecting 70- and 80-story skyscrapers. Nor are we talking drab concrete monoliths, as grace so many current and former communist cities; many of these new buildings are marvels of architectural elegance. And unlike the vacancy rate during similar booms, Thailand's for example, we heard that Shanghai's is fairly low.

Another striking aspect of Shanghai was the street commerce. People set up shops in what look like retail warrens, most of the shops little bigger than a modest-sized bathroom. They're not told what to buy, what to sell, or what price to charge. Nor are they harassed by the police or the Communist party. In fact, they look much like similar warrens we ran across in Seoul, Korea. And that's the point.

Beijing didn't have quite the same energy as Shanghai. It may have been my imagination or the chill that went up and down my spine when I walked onto Tiananmen Square. But in Beijing, too, private property and entrepreneurship were everywhere prevalent. The only sign of communism we saw was the little red Mao buttons sold in shops as curios.

To be sure, conditions are far from perfect. From a U.S. business standpoint, if you're out of favor with the local authorities, or if the U.S. and China are spatting, you can find it very difficult to get the permits and information you need to do anything. And even in the best of times (such as now), the Chinese business tax system is a muddle of inconsistency, inconstancy, and irrationality. The tax laws are applied one way in one province and another way in another province. They change often, irregularly, and with little or no warning.

Often the Chinese tax laws seem designed to thwart their other policy objectives. For example, they encourage direct foreign investment and they are nearly mercantilist in their views toward expanding exports. And yet they recently extended their business tax to royalty payments, and their VAT is only partially border-adjustable. While obviously different from our own, the Chinese tax system is somehow reminiscent of the U.S. federal income tax.

On more important matters such as human rights and political freedoms, again the Chinese have a long way to go. Religious persecution continues, for example. But on all these fronts, steady and substantive progress is underway, which is, again, the point.

The Communist Party remains the sole organized political force. The party, however, is communist in name only. Economic freedom is growing everywhere and the leadership knows it and encourages it. In fact, they're so aware of it that they're afraid of what would happen if real growth slipped below 6 or 7 percent a year. To the extent the party has an ideology today, it is for the party to stay in power. On the spectrum from Stalinist totalitarianism to Randian individuality, they've climbed from totalitarian to authoritarian. While that's far from perfect in Western eyes, it's not hard to envision some form of democracy in China in the not-too-distant future.

The U.S.-China relationship is difficult and probably always will be. Not yet an ally, China is no longer the enemy. On one hand, we have questions about missile technology and shady campaign contributions, concerns that are important but also transient. On the other hand, our annual internal fight over most-favored-nation trading status and the President's recent visit to China are fundamental to our long-term bilateral relations.

We must see these issues against our own moral and economic interests, keeping in mind the great changes already underway in China. Let's judge China on the evidence of today's reality, not yesterday's impressions.

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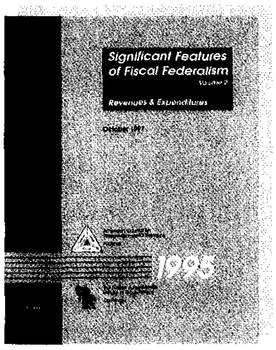

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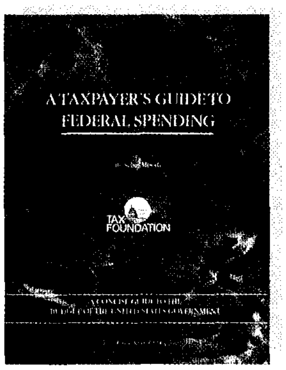

A Taxpayer's Guide to Federal Spending

Scott Moody, Editor

As anyone who has examined the federal budget quickly realizes, it's a tedious, vexing job trying to determine exactly how much the federal government spends and on what. This volume from the Tax Foundation makes the job easier by distilling the federal budget into a working document.

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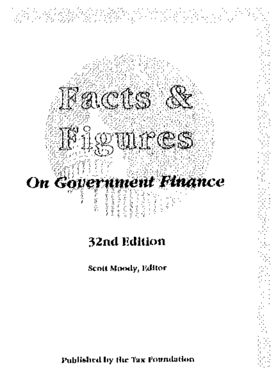

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