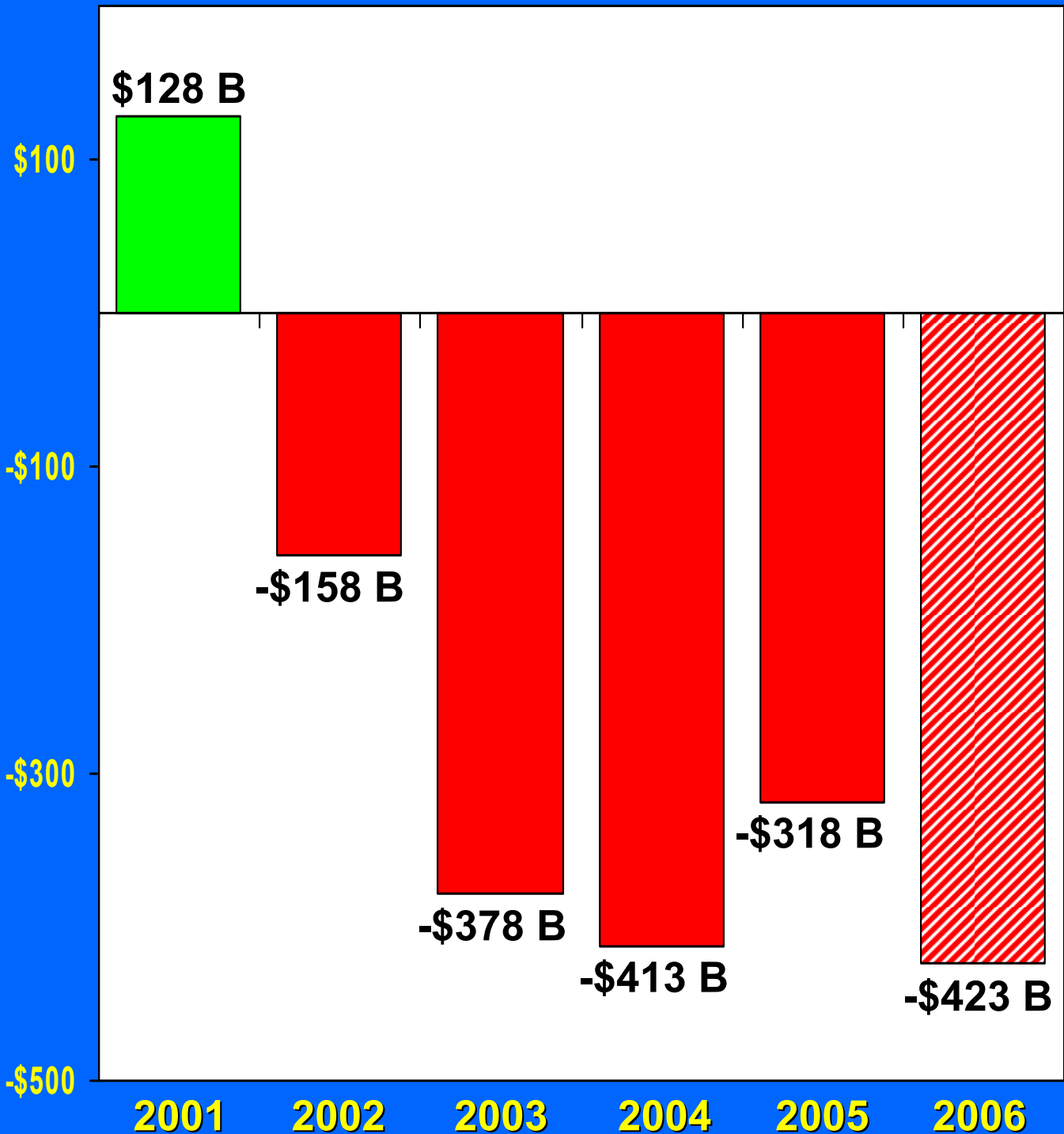


# Dramatic Deterioration in Budget Picture

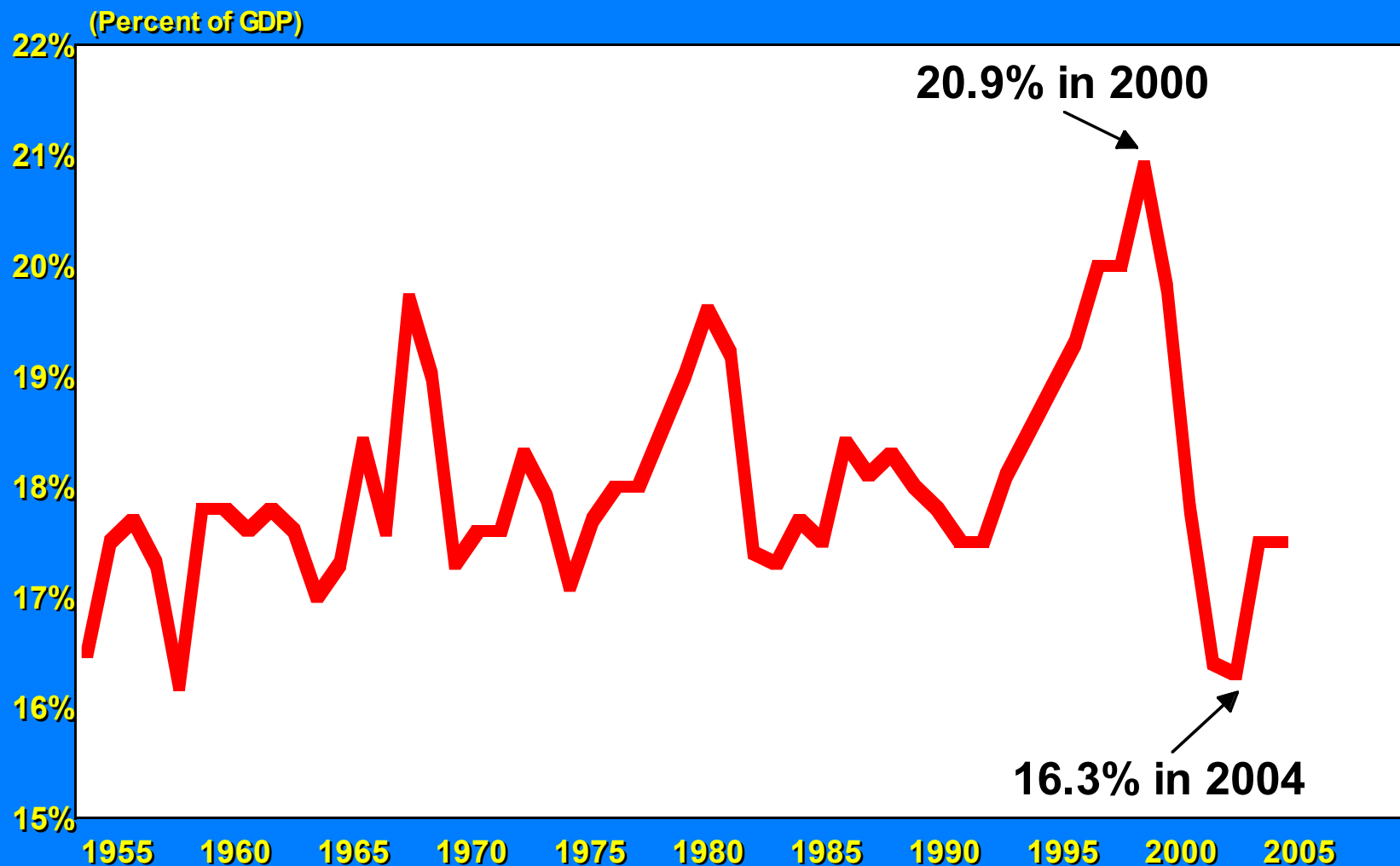
(Deficit in billions of \$)



Source: OMB

# Revenues as a Percent of GDP

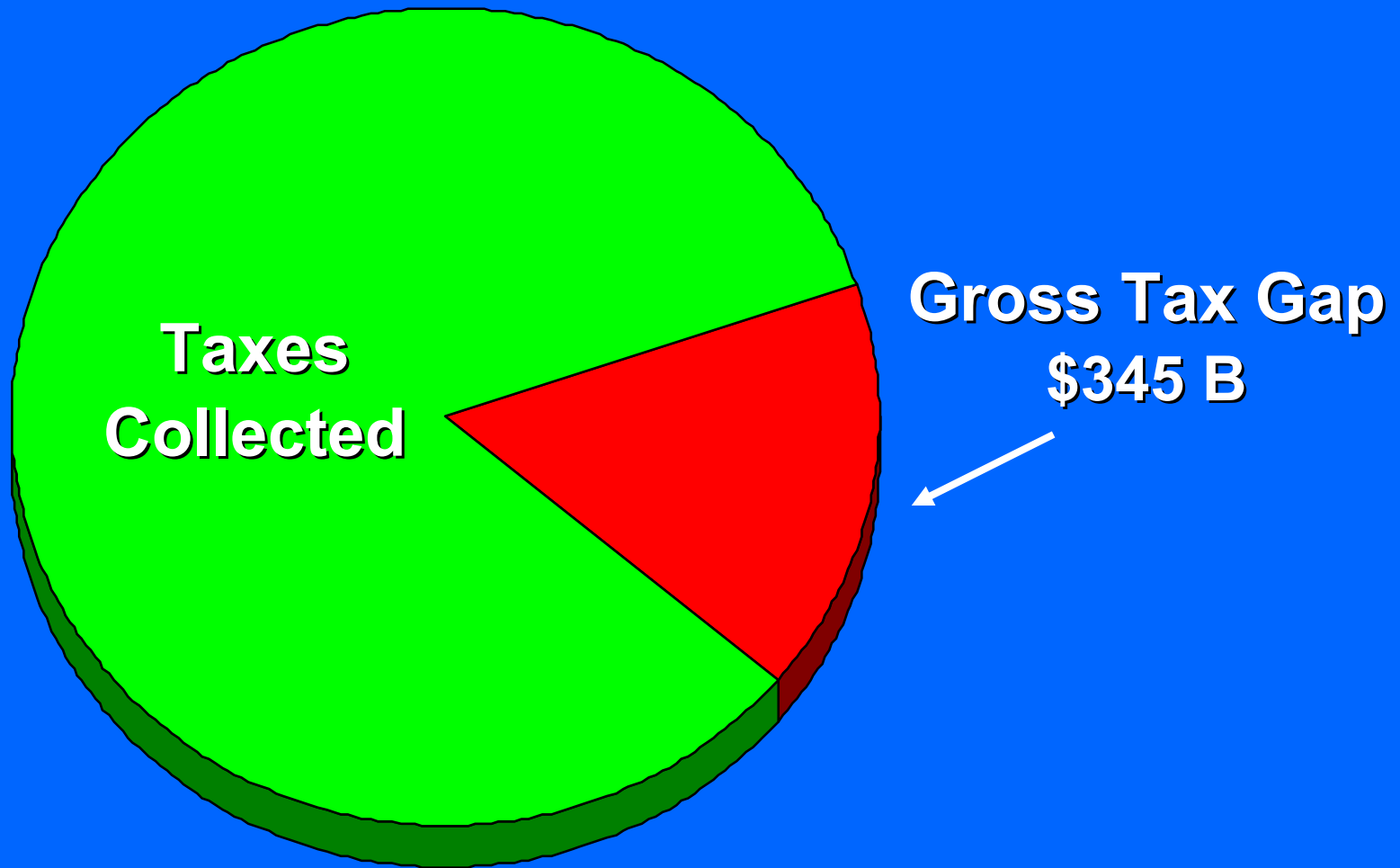
## 2004 Level is Lowest Since 1959



Source: OMB

2/6/06

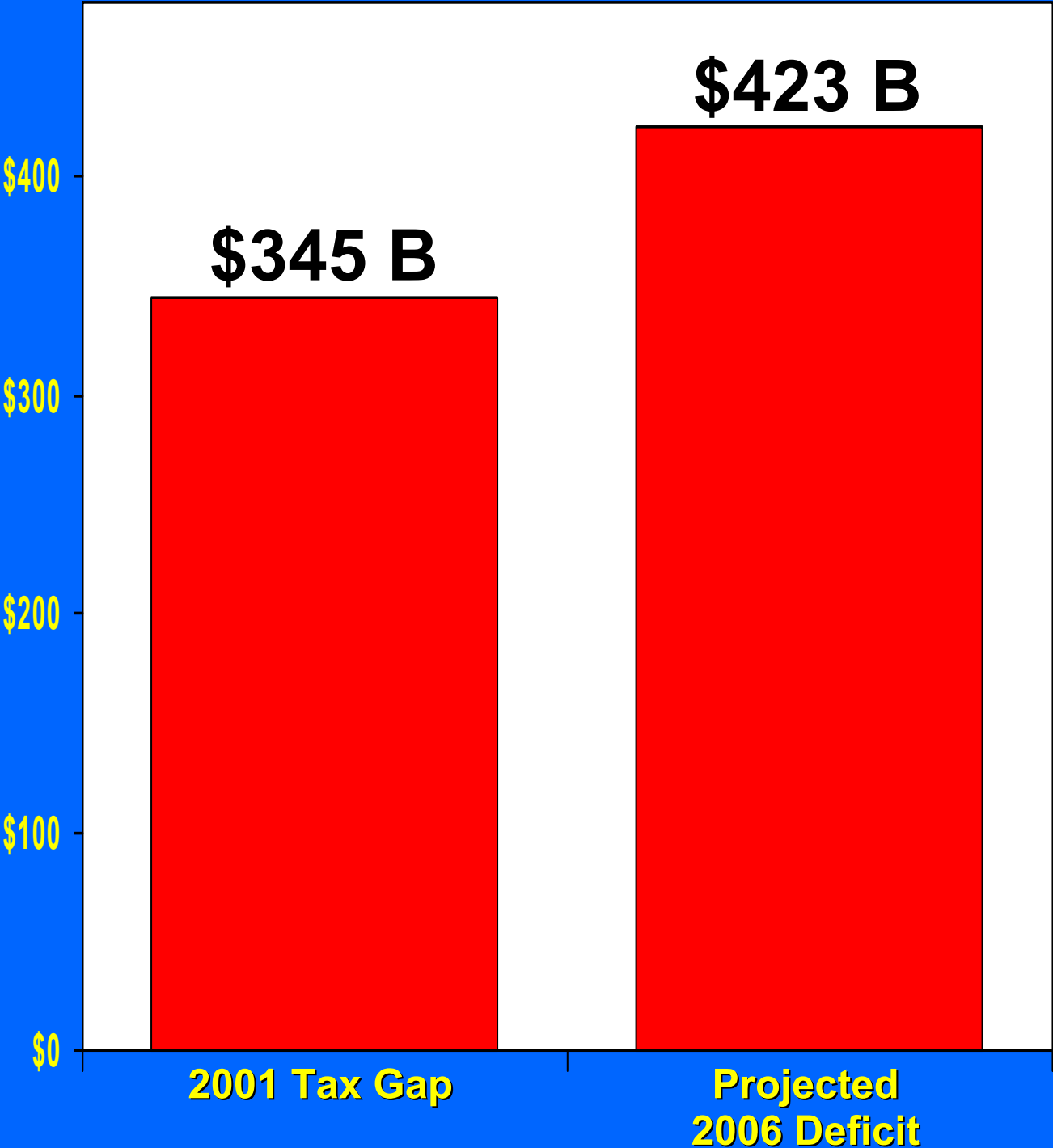
# IRS Estimates \$345 Billion Annual Tax Gap



Source: IRS estimate of 2001 tax gap, February, 2006

# Size of Tax Gap Compared to Size of Projected Deficit in 2006

(\$ in billions)



Source: IRS, OMB