



## Budget Digest – Week of April 25th

### FY 2016 Mid-Year Budget Review

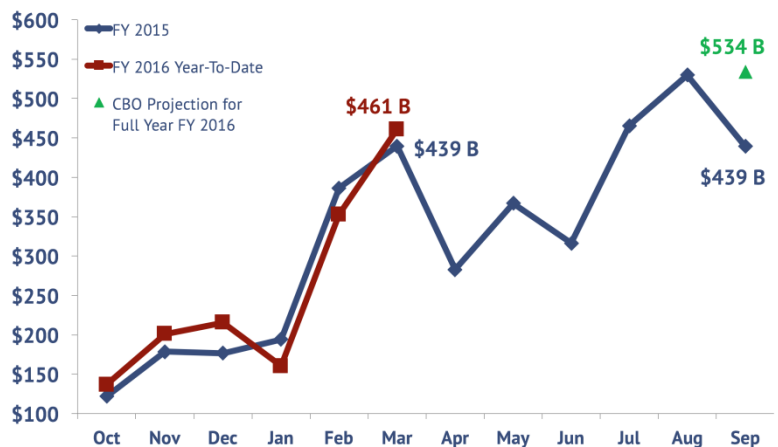
The deficit for the [first six months of FY 2016](#) was \$461 billion, an increase of \$22 billion over the same period last fiscal year (see chart below). Though the amount varies, the deficit tends to be somewhat front-loaded in the first half of the fiscal year partly because the 7<sup>th</sup> month contains the mid-April filing deadline for federal income tax returns, which often results in a significant surplus. The \$439 billion deficit at the halfway point of FY 2015 turned out to equal the deficit for the full year as surpluses last April, June and September fully offset deficits in May, July and August. What the deficit will be for the full twelve months of FY 2016 remains uncertain. [CBO's March 2016 baseline](#) projects the FY 2016 end-of-year deficit will be \$534 billion, \$95 billion higher than last year's deficit.

**Taxes:** Tax receipts over the first half of FY 2016 were up \$56 billion, or 4 percent, over the same period last year. Individual income taxes and payroll taxes, inclusive of tax refunds, were up about \$47 billion (4 percent), corporate income taxes declined by about \$10 billion (8 percent) and other receipts rose by \$19 billion.

**Spending:** Outlays over the first half of the year were up \$78 billion, or about 4 percent, over the same period last year. Net interest outlays increased by \$19 billion (18 percent), spending for Social Security benefits rose \$16 billion (4 percent), Medicare spending rose \$12 billion (4 percent), and outlays for Medicaid grew by \$9 billion (5 percent) largely because of new enrollees added through expansions of coverage authorized by the Affordable Care Act.

## FISCAL YEAR-TO-DATE DEFICIT 2016

(Deficits in Billions)



Authorized by Chairman Tom Price, M.D., House Budget Committee

Source: OMB, Treasury and CBO