

Tax Day 2019 Notes and Sources

April 11, 2019

National Priorities Project's [Tax Day](#) shows how your individual *income* taxes were spent. Those are a portion of the taxes withheld from your paycheck, and due this year on April 15, 2019.

Tax Day materials do *not* include corporate taxes or the individual payroll taxes that directly fund Social Security and Medicare. To read more about where federal revenues come from, visit [Where the Money Comes From](#).

Our [Tax Day materials](#) show how federal funds were spent during fiscal year 2018, the time period that most closely corresponds to the calendar year for which income taxes are due.

In order to do this analysis, we separate *federal funds* from *trust funds*. Trust funds, generated from sources such as payroll taxes, can only be used for specific programs like Social Security and Medicare. All other funds are federal funds, including revenue from your federal income taxes, and can be used for a wide variety of purposes.

We use analyzed federal fund “outlays” for FY 2018 from the FY 2020 Budget as reported by the White House Office of Management and Budget’s (OMB) and available from the [Government Printing Office](#). These are the most recent available data for legally enacted federal spending at the time of publishing.

Tax Day Categories

When OMB publishes federal budget data, it uses several categories of spending called functions, and within those, subfunctions.

NPP uses 13 different budget categories to sort federal spending. These do not correspond exactly to the official government functions. Rather, they are meant to organize the many government subfunctions into more intuitive groupings. In order to create our Tax Day materials, federal fund outlays were sorted into the following categories:

Education

Elementary, secondary, higher and vocational education.

Subfunctions: 501, 502, 503

Example programs:

- Pell Grants
- Special Education
- Title I grants to disadvantaged public schools

Energy & Environment

Natural resources and environment, conservation, and supply and use of energy.

Subfunctions: 271, 272, 274, 276, 301, 302, 303, 304, 306

Example programs:

- Rural Clean Water Program
- Energy Efficiency and Renewable Energy
- Environmental Protection Agency

Food & Agriculture

Agriculture as well as nutritional assistance programs.

Subfunctions: 351, 352, 605

Example programs:

- Agriculture Disaster Relief Program
- SNAP (food stamps)
- National School Lunch Program

Government

Law enforcement and the justice system, commerce, overhead costs of the federal government, and undistributed offsetting receipts.

Subfunctions: 372, 373, 376, 751, 752, 753, 754, 801, 802, 803, 804, 805, 806, 808, 809, 922, 929, 951, 952, 953, 954, 959

Example programs:

- Federal Bureau of Investigation (FBI)
- Citizenship and Immigration Services
- Congressional Budget Office

- U.S. House of Representatives and Senate

Housing & Community

Housing assistance and credit, community development, disaster relief, and services supporting social needs.

Subfunctions: 371, 451, 452, 453, 506, 604, 925

Example programs:

- Federal Emergency Management Agency (FEMA)
- Community Development Block Grants
- Head Start

Interest on Federal Debt

Annual interest paid on the national debt, net of interest income received by assets the federal government owns.

Subfunctions: 901, 902, 903, 908, 909

International Affairs

Diplomatic, development, and humanitarian activities abroad.

Subfunctions: 151, 153, 154, 155

Example programs:

- State Department
- Global Fund to Fight AIDS, Tuberculosis, and Malaria
- Peace Corps

Health

Health care programs and services, and occupational and consumer health & safety.

Subfunctions: 551, 552, 554, 571, 921, 926

Example programs:

- Medicaid
- Children's Health Insurance Program (CHIP)

Pentagon & Military

National defense, nuclear weapons activities, war costs, and international security assistance.

Subfunctions: 051, 053, 054, 152

Example programs:

- Weapons acquisition
- Military operations in Afghanistan
- Army National Guard

Science

General science research and space flight research and activities.

Subfunctions: 251, 252

Example programs:

- NASA
- National Science Foundation

Unemployment & Labor

Income security programs, federal employee retirement and disability, and job training.

Subfunctions 504, 505, 601, 602, 603, 609, 651, 923

Example programs:

- Training and Employment Services
- Temporary Assistance for Needy Families (TANF)

Transportation

Development and support of air, water, ground, and other transportation.

Subfunctions: 401, 402, 403, 407

Example programs:

- Transportation Security Administration
- Federal Aviation Administration

Veterans Benefits

Health care, housing, education and income security for veterans.

Subfunctions: 701, 702, 703, 704, 705

Example programs:

- Veterans Employment and Training
- Medical and Prosthetic Research
- VA hospitals

Tax Receipt

NPP's personalized and state average tax receipts shows how much of your federal income taxes went to each of the 13 categories specified above, using federal fund outlays data from the [OMB Public Budget Database](#), as described.

Other Tax Receipt Line Items

In addition, the receipt shows how much of your taxes went to particular programs within each of those categories, using data from OMB's Public Budget Database, as follows:

Education

College Financial Aid

Includes outlays under Education subfunctions for the Bureau, "Office of Federal Student Aid."

K-12 Education

Includes outlays under Education subfunctions for the Bureau, "Office of Elementary and Secondary Education."

Energy & Environment

Environmental Protection Agency

Includes outlays under Energy & Environment subfunctions for the Bureau, “Environmental Protection Agency.”

Managing Wildfires

Includes outlays under Energy & Environment subfunctions for the Account, “Wildland Fire Management.”

Renewable energy & energy efficiency

Includes outlays under Energy & Environment subfunctions for the Account, “Energy Efficiency and Renewable Energy.”

Food & Agriculture

SNAP (food stamps)

Includes outlays under Food & Agriculture subfunctions for the Account, “Supplemental Nutrition Assistance Program.”

School Lunch & other food programs

Includes under Food & Agriculture subfunctions for the Account, “Child Nutrition Programs.” Includes school lunch, school breakfast, summer meal programs, and more.

Government

Internal Revenue Service

Includes outlays under Government subfunctions for the Bureau, “Internal Revenue Service.”

Immigration & Border Control

Includes outlays under Government subfunctions for the Bureaus, “U.S. Customs and Border Protection” and “U.S. Immigration and Customs Enforcement.”

Federal Prisons

Includes outlays under Government subfunctions for the Bureau, “Federal Prison System.”

Health

Medicaid

Includes outlays under Health Care subfunctions for the Account, “Grants to States for Medicaid.”

Medicare

Includes outlays under Health Care subfunction 571, “Medicare.”

Children’s Health Insurance Program

Includes outlays under Health Care subfunctions for the Account, “Children’s Health Insurance Fund.”

National Institutes of Health

Includes outlays under Health subfunctions for the Bureau, “National Institutes of Health.”

Housing & Community

Disaster Relief

Includes obligations reported for “Disaster Relief” in 2018 from the Department of Homeland Security’s [FY 2020 report](#), page 531.

Flood Insurance

Includes outlays under Housing & Community subfunctions for the Account, “National Flood Insurance.”

Homeless assistance grants

Includes outlays under Housing & Community subfunctions for the Account, “Homeless assistance grants.”

Public Housing

Includes outlays under Housing & Community subfunctions for the Accounts, “Public Housing Operating Fund” and “Public Housing Capital Fund.”

International Affairs

State Department

Includes outlays under International Affairs subfunctions for the Agency, “Department of State.”

Foreign Aid

Includes outlays under International Affairs subfunctions for the Agency, “International Assistance Programs.”

Pentagon & Military

Military Personnel

Includes outlays under Military subfunctions for the Bureau, “Military Personnel.”

Military Contractors

Includes "Contractual services & supplies" awarded in FY 2018, according to USASpending.gov site <https://www.usaspending.gov/#/agency/1173>, accessed March 20, 2019

Lockheed Martin

Includes "dollars obligated" reported for FY 2017 for all Department of Defense (DoD) contracts for "Lockheed Martin Corporation" from the "[Top 100 Contractors Report](#)" of the Federal Procurement Data System, as of March 20, 2019. https://www.fpds.gov/fpdsng_cms/index.php/en/reports/62-top-100-contractors-report

Boeing

Includes "dollars obligated" reported for FY 2017 for all Department of Defense (DoD) contracts for "The Boeing Company" from the "[Top 100 Contractors Report](#)" of the Federal Procurement Data System, as of March 20, 2019. https://www.fpds.gov/fpdsng_cms/index.php/en/reports/62-top-100-contractors-report

Nuclear Weapons & related

Includes outlays for subfunction 053, “Atomic Energy Defense Activities.”

Science

NASA

Includes outlays under Science subfunctions for the Agency, “National Aeronautics and Space Administration.”

National Science Foundation

Includes outlays under Science subfunctions for the Agency, “National Science Foundation.”

Transportation

U.S. Coast Guard

Includes outlays under Transportation subfunctions for the Bureau, "United States Coast Guard."

Transportation Security Administration

Includes outlays under Transportation subfunctions for the Bureau, “Transportation Security Administration.”

Unemployment & Labor

Earned Income Tax Credit

Includes outlays under subfunctions for Unemployment & Labor for the Account, "Payment Where Income Credit Exceeds Liability." This represents the refundable portion of the EITC, under which families can receive a tax refund greater than the amount of taxes paid.

Temporary Assistance for Needy Families

Includes outlays under Unemployment & Labor subfunctions for the Account, “Temporary Assistance for Needy Families.”

Low Income Home Energy Assistance

Includes outlays under Unemployment & Labor subfunctions for the Account, "Low Income Home Energy Assistance."

Veterans

Veterans Health Administration

Includes outlays under Veterans Benefits subfunctions for the Bureau, "Veterans Health Administration."

Income Support

Includes outlays under Veterans Benefits subfunctions for the Bureau, "Benefits Programs," and the subfunction, "Income security for veterans."

Average Tax Bill

To generate [average taxes paid for the U.S.](#) and for [each state](#), we used [tax return data from the IRS](#). Our receipts are generated using information for tax year 2016, the latest available, state-level information at the time of publication.

The averages are calculated by dividing *income tax amount* by the total number of applicable returns. The income tax amount represents total income taxes owed after deductions and credits but does not reflect refundable tax credits, such as the refundable portion of the EITC.

[State tax averages](#) were then adjusted for inflation from calendar year 2016 to 2018 dollars.