


Search

NewsMax.com

Web

Powered by 

U.S. Fiscal Year Ends With \$161 Billion Deficit

MoneyNews

Monday, Oct. 8, 2007

WASHINGTON -- The U.S. federal budget deficit fell to \$161 billion in fiscal 2007 from \$248 billion the prior year as growth in tax receipts, fueled by capital gains and other non-withheld income, outstripped spending growth, the Congressional Budget Office said on Friday.

The CBO said in its monthly budget review that the federal government ended its fiscal year on Sept. 30 with a \$113 billion budget surplus for September, an increase of \$57 billion over the September 2006 surplus.

The CBO's final full year 2007 deficit estimate was \$3 billion larger than its previous estimate of \$158 billion, made in August, as both revenues and outlays ended the year slightly less than it had forecast.

The U.S. Treasury is expected to release its final fiscal 2007 budget data on Wednesday. The White House budget office has previously estimated a significantly larger fiscal 2007 deficit of about \$205 billion.

A final figure matching either estimate would mark a third year of decline for the federal deficit since it hit a record of \$413 billion in 2004.

Story Continues Below

A key Democratic congressman said the latest reduction was no cause for celebration.

"Republicans have overseen the largest fiscal reversal in American history — turning a \$5.6 trillion ten-year projected surplus into a \$2 trillion deficit — and yet the (Bush) administration continues to

TOP NEWS

- Four Major Banks Borrow From Fed
- Banks' Problem Mortgages Up 36 Percent
- Mortgage Crisis Widens at Lenders, Banks
- FDIC Keeping Close Eyes on Markets, Banks

Related Stories

- U.S. Fiscal Year Ends With \$161 Billion Deficit
- Oil Plummets Below \$80 on Rising Dollar
- Dollar Still At All-Time Low Against Euro
- Jobs Data Shows Economy Slowing, Not Stalling

TOOLS

-  [Print Friendly Version](#)
 [Forward this Page](#)
 [E-mail NewsMax](#)
 [RSS Feed](#)

advocate the same policies that helped to create our fiscal mess,"said House Budget Committee Chairman John Spratt of South Carolina.

The CBO said tax receipts grew by \$161 billion in fiscal 2007 over the prior year to \$2.568 trillion. Outlays grew by \$74 billion to \$2.729 trillion, the CBO said.

The CBO said receipts from withheld individual income taxes and payroll taxes grew by \$107 billion, or 6.7 percent in fiscal 2007 — a similar growth rate to the prior two years.

But the biggest revenue growth driver was non-withheld receipts, typically made up of taxes on capital gains and dividend income, which grew 13 percent, or \$55 billion, in fiscal 2007.

While corporate income tax receipts grew by 5 percent or \$18 billion, the rate slowed considerably from the 39 percent average over the prior two years.

Year-on-year corporate income tax receipt growth slowed progressively throughout 2007, with gains in the first three quarters of 22 percent, 11 percent and 4 percent respectively, followed by an 11 percent decline in the fourth quarter, the CBO said.

© Reuters 2007. All rights reserved. Republication or redistribution of Reuters content, including by caching, framing or similar means, is expressly prohibited without the prior written consent of Reuters.

Editor's note:

- [Bernanke Reveals `Fiscal Crisis` Ahead](#)
- [Cash and Banks at Risk? Protect Your Wealth Now.](#)
- [Special Report: 5 Ways to Profit From the Housing Bust.](#)

[Home](#)

[MoneyNews Archives](#)

[Special Reports](#)

[Shop](#)

[Contact Us](#)

[RSS](#)

© 2007 NewsMax Media Inc.
All Rights Reserved