

The BASELINE *and* REVENUES

As outlined in House Budget Committee’s [FY24 – FY33 “Reverse the Curse” Budget Resolution Blueprint](#): economic growth is essential to reining-in our deficits and reducing our nation’s indebtedness. Growth generates more revenue for our country, reduces spending by lifting American families out of poverty and off government dependence, allowing taxpayers to keep *more* of their hard-earned income.

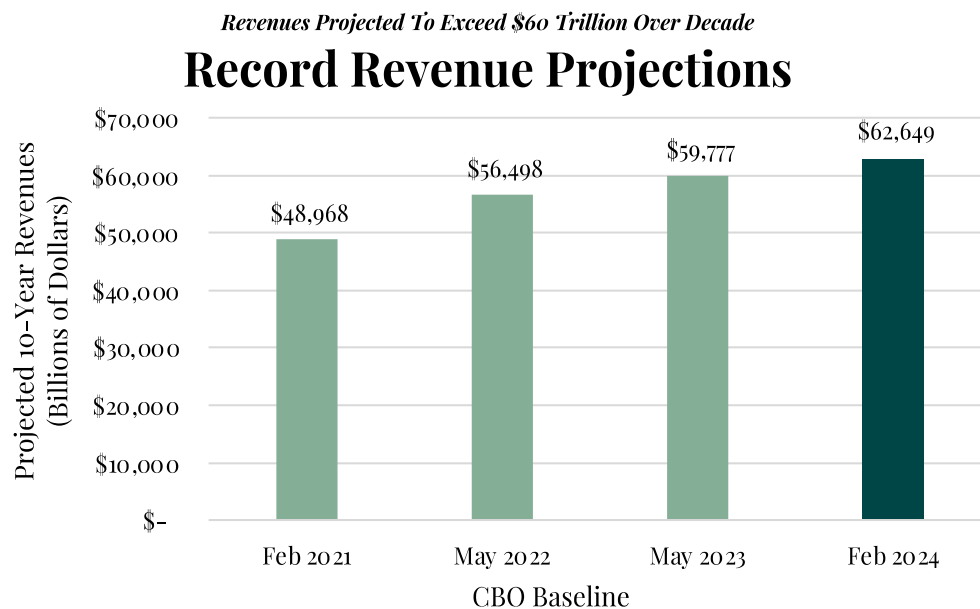
Projected 10-Year Revenues

For fiscal years 2025–2034, the Congressional Budget Office (CBO) budget baseline provides an estimate for incoming revenues based on individual income and corporate tax collections, tax exemptions and incentives, interest rates, recently enacted legislation and the corresponding changes to tax liability.

CBO’s February Baseline for 2025–2034 projects:

Federal revenues will total roughly **\$62.6 trillion** over the next decade, consisting of:

- **\$33 trillion** in individual income taxes
- **\$20.9 trillion** in payroll taxes
- **\$5.1 trillion** in corporate income taxes
- **\$3.7 trillion** in other revenues



Comparison of FY 2024 Projected Revenue by Baseline

By comparison, projected 10-year revenues when President Biden took office were **\$49 trillion**. This increase in projected revenues has been driven by high inflation and the positive economic effects of tax reform.

For example, in 2021 CBO projected nominal GDP would reach \$37 trillion in 2034. This projection has since been increased to \$42.4 trillion. As nominal incomes increase, nominal income taxes increase as well. This effect is further influenced by some aspects of the tax code, such as the Child Tax Credit, which is not indexed for inflation – pushing up real (inflation-adjusted) income taxes for taxpayers with children.

Further, previous projections failed to accurately predict the positive economic boost from Republican tax reform. CBO incorporated Republican tax reform into its budget projections in the April 2018 budget outlook. Under these projections, the federal government would have collected \$22.6 trillion in revenue since enactment of TCJA. Actual tax collections were \$23.6 trillion—more than \$1 trillion above CBO’s April 2018 projection.

Compared to the February 2021 CBO baseline, FY24 projected revenues have increased by **\$583 billion**, or **13.4 percent**, depicted in the chart below:

FY 2024 Revenue Projections (billions)	Feb 2021	Feb 2024	Change (\$)	Change (%)
<i>Individual Income Taxes</i>	\$2,139	\$2,469	\$330	15.4%
<i>Payroll Taxes</i>	\$1,507	\$1,663	\$156	10.4%
<i>Corporate Income Taxes</i>	\$328	\$569	\$241	73.5%
<i>Other</i>	\$379	\$234	-\$145	-38.3%
Total Revenue.....	\$4,352	\$4,935	\$583	13.4%