Congressional Budget Office
Nonpartisan Analysis for the U.S. Congress

Monthly Budget Review: April 2024

May 8, 2024

The federal budget deficit was $857 billion in the first seven months of fiscal year 2024, the Congressional Budget Office estimates—$68 billion less than the deficit recorded during the same period last fiscal year. Revenues were $278 billion (or 10 percent) higher and outlays were $210 billion (or 6 percent) higher from October through April than during the same period in fiscal year 2023.

Shifts in the timing of certain payments affect that comparison. Outlays in the first seven months of each fiscal year were reduced by shifts of some payments to September that otherwise would have been due on October 1, which fell on a weekend in both years. If not for that, the deficit so far in fiscal year 2024 would have been $929 billion—$59 billion less than the shortfall for the same period in fiscal year 2023.

Table 1.

Budget Totals, October–April

Billions of Dollars

				Estimated Change With Adjustments for Timing Shifts in Outlays[a]	
	Actual, FY 2023	Preliminary, FY 2024	Estimated Change	Billions of Dollars	Percent
Receipts	2,687	2,965	278	278	10
Outlays	3,612	3,821	210	219	6
Deficit (−)	−925	−857	68	59	6

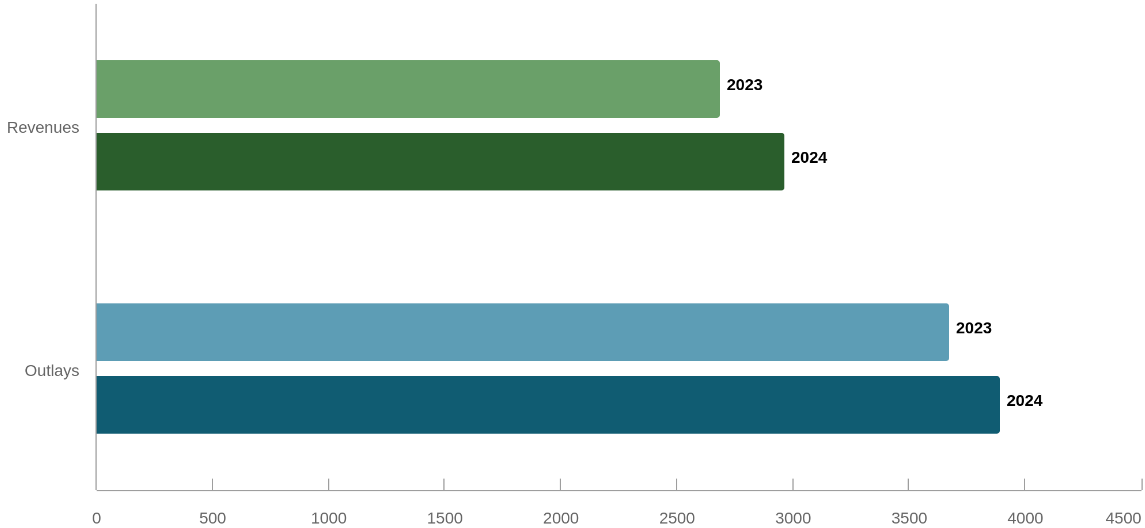
Data sources: Congressional Budget Office; Department of the Treasury. Based on the *Monthly Treasury Statement* for March 2024 and the *Daily Treasury Statements* for April 2024.

FY = fiscal year.

a. Adjusted amounts exclude the effects of shifting payments that otherwise would have been made on a weekend. If not for those shifts, the budget would have shown a deficit of $929 billion from October 2023 through April 2024, CBO estimates, compared with $988 billion during the same period in fiscal year 2023.

The amounts shown in this report include the surplus or deficit in the Social Security trust funds and the net cash flow of the Postal Service, which are off-budget. Numbers may not sum to totals because of rounding.

October–April Revenues and Outlays
Fiscal Years 2023 and 2024
Billions of Dollars



Data sources: Congressional Budget Office; Department of the Treasury.
Amounts included for April 2024 are CBO's estimates.
All months have been adjusted to exclude the effects of timing shifts.

Although the deficit so far in fiscal year 2024 is smaller than the shortfall during the same period last year, it appears likely that the deficit for the full year will end up being larger. Contributing to that outcome will be additional costs for outstanding student loans and disaster loans that the Administration has announced but that the Department of Education and the Small Business Administration, respectively, have not yet recorded. In addition, revenue collections through April were smaller than CBO anticipated. In June, CBO will publish a revised estimate of the 2024 budget deficit in an update to the *Budget and Economic Outlook.*

Total Receipts: Up by 10 Percent in Fiscal Year 2024

Receipts totaled $3.0 trillion during the first seven months of fiscal year 2024, CBO estimates—$278 billion more than during the same period a year before. A portion of that increase is the result of the postponement until fiscal year 2024 of various 2023 tax deadlines for some taxpayers in federally declared disaster areas.

Although receipts rose, amounts collected through April 2024 were less than CBO anticipated in February, when its most recent baseline projections were released. That shortfall stems mainly from smaller-than-anticipated payments of individual and corporate income taxes around the April filing deadline. CBO will publish a comprehensive update of its revenue projections in June.

The changes in receipts from last year to this year were as follows:

- Individual **income and payroll (social insurance) taxes** together rose by $220 billion (or 9 percent).
  - Nonwithheld payments of income and payroll taxes rose by $101 billion (or 16 percent). That increase reflects payments from taxpayers in areas affected by natural disasters for whom the Internal Revenue Service (IRS) postponed some 2023 filing deadlines. Most of those payments were due by November 2023.
  - Amounts withheld from workers' paychecks rose by $82 billion (or 4 percent), reflecting increases in wages and salaries.

Table 2.

Receipts, October–April

Billions of Dollars

Major Program or Category	Actual, FY 2023	Preliminary, FY 2024	Estimated Change: Billions of Dollars	Estimated Change: Percent
Individual Income Taxes	1,410	1,572	162	11
Payroll Taxes	923	981	58	6
Corporate Income Taxes	221	284	63	29
Other Receipts	133	128	−5	−4
Total	**2,687**	**2,965**	**278**	**10**
Memorandum: Combined Individual Income and Payroll Taxes				
Withheld taxes	1,937	2,019	82	4
Other, net of refunds	396	534	138	35
Total	**2,333**	**2,553**	**220**	**9**

Data sources: Congressional Budget Office; Department of the Treasury.

FY = fiscal year.

- Individual income tax refunds fell by $33 billion (or 13 percent). The decline in part reflects the effects of the Employee Retention Tax Credit, which increased individual income tax refunds in 2023. In September 2023, the IRS announced a moratorium on payments for that credit. The IRS has announced that the moratorium will continue until late spring, when that agency will begin processing the more than 1 million outstanding claims for the credit.
- Unemployment insurance receipts (one type of payroll tax) increased by $4 billion (or 17 percent).

■ Receipts from **corporate income taxes** increased, on net, by $63 billion (or 29 percent). For many corporations in areas affected by natural disasters, particularly in California, the IRS postponed until November 2023 the deadline for payments that ordinarily would have been due in fiscal year 2023.

■ Reported receipts from **other sources** declined by $5 billion (or 4 percent).

- Collections of miscellaneous fees and fines decreased by $4 billion (or 21 percent).
- Estate and gift taxes declined by $4 billion (or 18 percent), in part because of an unusually large amount collected in February 2023.
- Customs duties declined by $4 billion (or 8 percent).
- Excise taxes increased by $6 billion (or 13 percent).

Total Outlays: Up by 6 Percent in Fiscal Year 2024

Outlays in the first seven months of fiscal year 2024 were $3.8 trillion, CBO estimates—$210 billion more than during the same period last year. If not for the timing shifts discussed above, outlays so far in fiscal year 2024 would have been $219 billion (or 6 percent) greater than those during the same period in fiscal year 2023. The discussion below reflects adjustments to exclude the effects of those timing shifts.

Table 3.

Outlays, October–April

Billions of Dollars

Major Program or Category	Actual, FY 2023	Preliminary, FY 2024	Estimated Change	Estimated Change With Adjustments for Timing Shifts in Outlays[a]	
				Billions of Dollars	Percent
Social Security Benefits	766	833	67	67	9
Medicare[b]	425	463	38	46	10
Medicaid	359	355	−3	−3	−1
Subtotal, Largest Mandatory Spending Programs	**1,550**	**1,651**	**102**	**109**	**7**
DoD—Military[c]	440	475	36	36	8
Department of Veterans Affairs	157	182	25	26	15
FDIC	37	55	18	18	50
Refundable Tax Credits[d]	123	136	13	13	10
PBGC	37	3	−34	−34	−92
Department of Education	134	104	−30	−30	−22
U.S. Coronavirus Refundable Credits	31	2	−29	−29	−93
Small Business Administration	25	1	−24	−24	−96
Food and Nutrition Service	110	87	−23	−23	−21
Net Interest on the Public Debt	374	531	157	157	42
Other	595	595	*	1	**
Total	**3,612**	**3,821**	**210**	**219**	**6**

Data sources: Congressional Budget Office; Department of the Treasury.

DoD = Department of Defense; FDIC = Federal Deposit Insurance Corporation; FY = fiscal year; PBGC = Pension Benefit Guaranty Corporation; * = between zero and $500 million; ** = between zero and 0.5 percent.

a. Adjusted amounts exclude the effects of shifting payments that otherwise would have been made on a weekend. If not for those timing shifts, outlays would have been $3,675 billion in fiscal year 2023 and $3,894 billion in fiscal year 2024.

b. Medicare outlays are net of offsetting receipts.

c. Excludes a small amount of spending by DoD on civil programs.

d. Recovery rebates, earned income tax credit, child tax credit, premium tax credits, and American Opportunity Tax Credit.

Net outlays for **interest on the public debt** rose substantially—increasing by $157 billion (or 42 percent)—primarily because interest rates are higher than they were in the first part of fiscal year 2023.

Outlays for the largest mandatory spending programs increased, on net, by $109 billion (or 7 percent):

- Spending for **Social Security** benefits rose by $67 billion (or 9 percent) because of increases in the average benefit payment (stemming mostly from cost-of-living adjustments) and in the number of beneficiaries.
- **Medicare** outlays increased, on net, by $46 billion (or 10 percent), largely because of increased benefit payments to Medicare Advantage plans.

- **Medicaid** outlays decreased by $3 billion (or 1 percent) as states continue to reassess the eligibility of enrollees who remained in the program for the duration of the coronavirus public health emergency. (The continuous-enrollment requirement ended on March 31, 2023.)

Outlays increased substantially in several other areas:

- Spending by the **Department of Defense** (DoD) was $36 billion (or 8 percent) greater than in the same period last fiscal year; the largest increases were for military personnel, procurement, and operation and maintenance.
- Spending by the **Department of Veterans Affairs** increased by $26 billion (or 15 percent), mostly because of increased spending per person and veterans' increased use of health care facilities.
- Outlays of the **Federal Deposit Insurance Corporation** (FDIC) rose by $18 billion. Outlays were $37 billion in the first seven months of fiscal year 2023 as the FDIC began to resolve two major bank failures that occurred in March 2023. The FDIC's outlays totaled $55 billion during the same period this fiscal year while that agency continues to resolve those failures along with four more that occurred after March 2023. About $40 billion of that 2024 total stems from transactions with the Federal Financing Bank. There were no similar transactions in the first seven months of fiscal year 2023. Over the next decade, the FDIC expects to recover much of the amounts spent by continuing to liquidate the failed banks' assets and by collecting higher premiums from FDIC-insured institutions.
- Outlays for certain **refundable tax credits** increased by $13 billion (or 10 percent), totaling $136 billion in the first seven months of fiscal year 2024.[1] Subsidies for health insurance purchased through the marketplaces established under the Affordable Care Act rose because of higher enrollments.
- Net outlays of the **Department of Energy** (included in "Other" in Table 3) increased by $11 billion, primarily because last year the Administration sold a substantial amount of oil from the Strategic Petroleum Reserve. No such receipts have been recorded in the first seven months of 2024. (The Administration has begun purchasing oil to replenish the reserve; CBO expects those outlays to be recorded over the next few years.)

Outlays decreased in several other areas:

- Net spending by the **Pension Benefit Guaranty Corporation** decreased by $34 billion. In the first seven months of 2023, that agency recorded $37 billion in net outlays, mostly related to onetime payments to certain multiemployer pension plans under the Special Financial Assistance Program. Such payments amounted to less than $1 billion in the first seven months of the current fiscal year.

1. Those credits are the recovery rebates, earned income tax credit, child tax credit, premium tax credits (which subsidize the purchase of health insurance under the Affordable Care Act), and American Opportunity Tax Credit.

- Outlays by the **Department of Education** decreased by $30 billion (or 22 percent), primarily because in the first seven months of fiscal year 2023, the department recorded some of the costs of final rules that modified repayment terms for outstanding student loans. Those rules expanded eligibility for the discharge of some loans, eliminated the addition of unpaid interest to loan balances in certain circumstances, and increased eligibility for the Public Service Loan Forgiveness program. No modifications have been recorded in the first seven months of fiscal year 2024. The Administration announced that, before the end of the fiscal year, it will record an increase of $74 billion in the estimated costs of outstanding student loans, mostly related to the costs of previously announced loan discharge policies. The totals shown here do not include that amount. The totals also do not include the costs the Administration might record in 2024 for the announced debt cancellation policy that was published last month in a preliminary rule.[2]
- Outlays related to **U.S. Coronavirus Refundable Credits,** a group of temporary tax credits to help employers cover the costs of sick and family leave, employee retention, and continuation of health insurance for certain workers, decreased by $29 billion. That result is attributable in part to the IRS's moratorium on processing claims for the Employee Retention Tax Credit.
- Outlays of the **Small Business Administration** decreased by $24 billion, largely because in April 2023, the agency recorded an increase of $28 billion in the estimated costs of its disaster loans. Although no similar adjustment was recorded in the first seven months of fiscal year 2024, the Administration announced that, before the end of the fiscal year, the agency will record an increase of $33 billion in the estimated costs of outstanding disaster loans.
- Spending by the Department of Agriculture's **Food and Nutrition Service** decreased by $23 billion (or 21 percent), in part because emergency allotments for the Supplemental Nutrition Assistance Program ended in March 2023.
- Outlays for **international security assistance programs** (also in "Other") decreased by $11 billion, primarily because emergency support provided to Ukraine in the first seven months of fiscal year 2024 amounted to less than $1 billion, compared with $10 billion during the same period in fiscal year 2023. The rate of spending is expected to increase in coming months as a result of the recently enacted funding for assistance to Israel, Ukraine, and Taiwan.
- Outlays from the **Public Health and Social Services Emergency Fund** (in "Other") decreased by $8 billion (or 43 percent), as expenditures slowed for several pandemic-related activities, including reimbursements to hospitals and other health care providers, coronavirus testing and contact tracing, and development and purchase of vaccines and therapies.

Estimated Surplus in April 2024: $208 Billion

Because of the large inflow of tax payments, the federal government usually records a budget surplus in April. This year, that surplus was $208 billion, CBO estimates—$32 billion more than the amount recorded last April. Revenues and outlays were higher than they were a year ago. Outlays in April 2023 were lower than they otherwise would have been because certain federal payments due on April 1, 2023, a Saturday, were made in March. If not for that shift, the surplus in April 2024 would have been $106 billion more than in the same period last year.

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2. See Office of Postsecondary Education, Department of Education, "Student Debt Relief for the William D. Ford Federal Direct Loan Program (Direct Loans), the Federal Family Education Loan (FFEL) Program, the Federal Perkins Loan (Perkins) Program, and the Health Education Assistance Loan (HEAL) Program," notice of proposed rulemaking, 89 *Fed. Reg.* 27564 (April 17, 2024), https://tinyurl.com/3db2cpxe.

Table 4.

Budget Totals for April

Billions of Dollars

	Actual, FY 2023	Preliminary, FY 2024	Estimated Change	Estimated Change With Adjustments for Timing Shifts in Outlays[a]	
				Billions of Dollars	Percent
Receipts	639	777	138	138	22
Outlays	462	568	106	32	6
Surplus	176	208	32	106	103

Data sources: Congressional Budget Office; Department of the Treasury.

FY = fiscal year.

a. Adjusted amounts exclude the effects of shifting payments that otherwise would have been made on a weekend. If not for those timing shifts, outlays would have been $536 billion in April 2023.

CBO estimates that receipts in April 2024 totaled $777 billion—$138 billion (or 22 percent) more than the amounts recorded in April 2023. That increase was driven by individual income and payroll taxes, which increased by $117 billion (or 22 percent). Additionally, collections of corporate income taxes increased by $14 billion (or 17 percent) and excise taxes increased by $4 billion (twice the April 2023 amount).

Total spending in April 2024 was $568 billion, CBO estimates—$106 billion (or 23 percent) more than in April 2023. If not for the timing shift discussed above, outlays in April 2024 would have been $32 billion (or 6 percent) more than in the same month last year. That overall change is the result of increases and decreases in several areas. The largest increases were as follows:

- Net outlays for interest on the public debt increased by $24 billion (or 37 percent), primarily because interest rates were higher in April 2024 than they were in April 2023.
- Outlays by the Department of Education increased by $14 billion (or 141 percent) largely because more costs for the origination of new student loans were recorded in April 2024 than are usually recorded in April.
- Outlays for Social Security increased by $7 billion (or 6 percent).
- Outlays by the Department of Veterans Affairs increased by $7 billion (or 28 percent).
- Spending by DoD increased by $6 billion (or 11 percent).
- Outlays for Medicare increased by $6 billion (or 9 percent).

The largest decreases were as follows:

- Outlays for the Small Business Administration decreased by $24 billion, largely because in April 2023, the agency recorded an increase in the estimated costs of its disaster loans.
- Spending by the FDIC declined by $12 billion, primarily because in April 2023, that agency began to resolve two major bank failures that occurred in March 2023
- Outlays related to U.S. Coronavirus Refundable Credits decreased by $3 billion (or 60 percent).

Spending for other programs and activities increased or decreased by smaller amounts.

Actual Deficit in March 2024: $236 Billion

The Treasury Department reported a deficit of $236 billion for March—the same amount CBO estimated last month, on the basis of the *Daily Treasury Statements,* in the *Monthly Budget Review: March 2024*.

Each month, CBO issues an analysis of federal spending and revenues for the previous month and the fiscal year to date. This report is the latest in that series, found at https://tinyurl.com/yazr58zb.

In keeping with CBO’s mandate to provide objective, impartial analysis, this report makes no recommendations. Nathaniel Frentz and Carolyn Ugolino prepared the report with assistance from Aaron Feinstein and Justin Latus and with guidance from Christina Hawley Anthony, Barry Blom, Chad Chirico, Sam Papenfuss, and Joshua Shakin. It was reviewed by Mark Hadley and Robert Sunshine, edited by Kate Kelly, and prepared for publication by Janice Johnson. An electronic version is available on CBO’s website, www.cbo.gov/publication/60193.

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