Tax Expenditure Data Codebook

Policy Agendas Project 2016

Contact Information

Contact cgfaricy@syr.edu with any questions.

Citation:
Faricy, Christopher G. Welfare for the Wealthy: Parties, Social Spending, and Inequality in the United States. Cambridge University Press, 2015.

If just using social welfare data please see below.
Faricy, Christopher G. *Welfare for the Wealthy: Parties, Social Spending, and Inequality in the United States*. Cambridge University Press, 2015.

An Overview of the Data Set

The Tax Expenditure data set is based on *the Congressional Joint Committee on Taxation's* annual five-year estimates of federal tax expenditures informally referred to as 'Bluebooks' and is compiled annually by Christopher Faricy. The Joint Committee on Taxation (hereafter JCT) submits these estimates yearly to the House and Senate Committees on Budget. The tax expenditure data reported for each year is pulled from the most recent JCT estimates. For example, the tax expenditure data for 2011 is taken from the JCT-1-12 estimates that run from 2011-2015, the 2010 estimates are taken from the JCT-3-10 book that run from 2010-2014, etc. The JCT organizes tax expenditure data into the same major budget functions used for the comprehensive budget data in The Policy Agendas Project Budget Authority. There are no consistent subfunctional categories for the tax expenditure data. The JCT began reporting tax expenditure data estimates in 1967 and have provided annual estimates since 1972.

A tax expenditure is the formal name for the multitude of tax breaks or provisions listed in the United States tax code that reduce individual or corporation tax liabilities. A formal definition of tax expenditures can be found in the Congressional Budget and Impoundment Act of 1974. A tax expenditure estimate is used for budget analysis and is a measurement of the federal monetary benefits provided to citizens and businesses through the tax code. A tax expenditure estimate is produced by calculating the revenue loss if a current tax provision was eliminated. The tax expenditure estimates include recent IRS statistics on deductions, credits, and exclusions, CBO revenue projections, and JCT estimates of gross income. The JCT estimates include changes to recent tax laws and hold taxpayer behavior as constant. Each tax expenditure estimate is computed independently by holding all other tax expenditure programs in the tax code constant.

Research Notes

1. The current tax expenditure set runs from 1980-2014. In 2017, the data set will be extended back to 1967.
2. There are some individual tax expenditure programs that are listed at "less than $50 million." These programs were given $25 million estimates in this data set. There are some function categories that have a high number of these programs so therefore these function estimates should be treated with caution.
3. These tax expenditures are provisions from individual and corporation income taxes only and do not include any exceptions to the federal excise, estate, employment, or gift taxes.

Variable Name and Descriptions

KeyID

This column records the unique identifier for each observation. It has no substantive application.

Year

This column records the corresponding *fiscal year*.

Deflator

This column records the value of the deflator used to adjust for inflation over time for each year. We use the 2009 deflator values provided by OMB.

Dllr

This column records the *adjusted* dollar value (in millions) of each code. **chngdllr**

This column records the simple year-over-year difference in dollars across codes.

pctChng

This column records the year-over-year percentage change in dollars across codes. Note that blank observations refer to year-over-year undefined changes (i.e. a reduction to zero), while zeros refer to year-over-year change of zero.

CurrYrDllr

This column records the *un-adjusted* dollar value (in millions) of each code.

TopicCode

This column records the numeric JCT/OMB code for functions.

FunctionName

This column records the OMB name for the function.