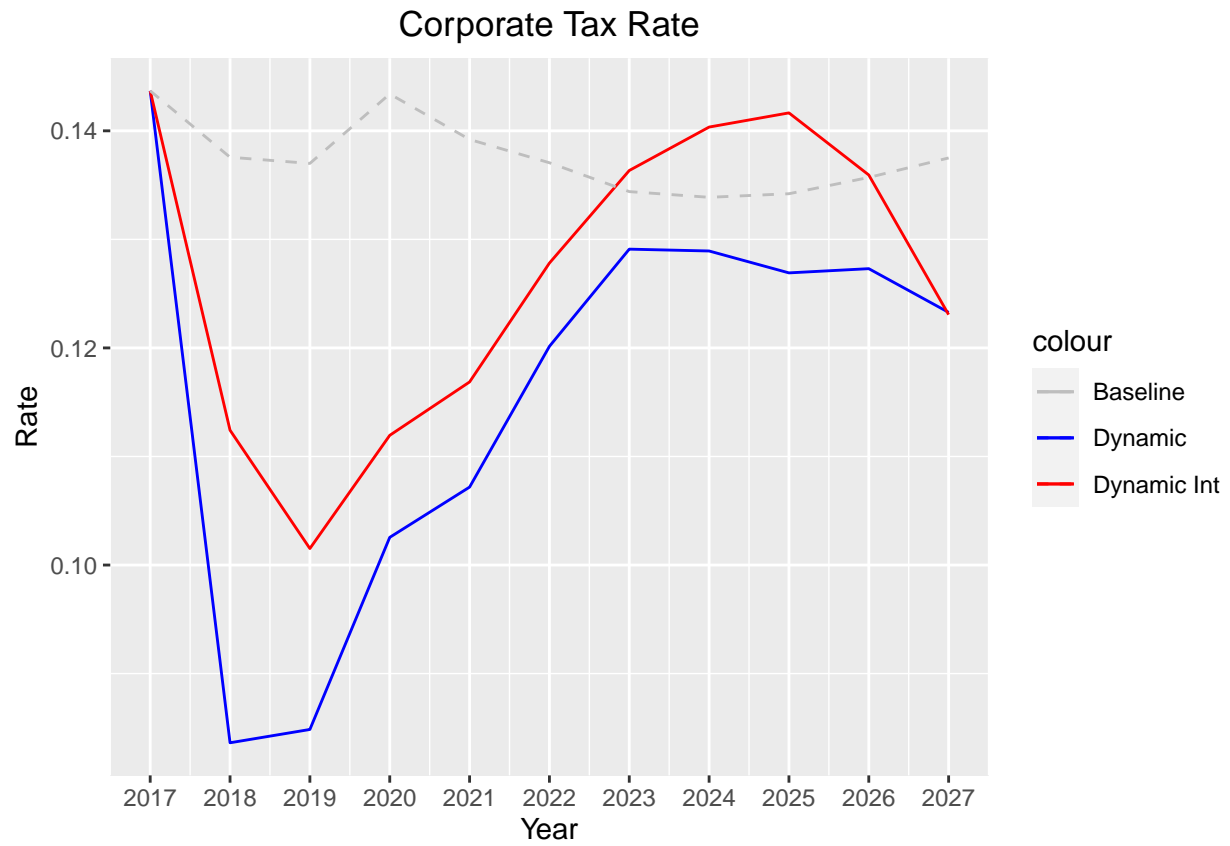


Tax Rates and Tax bases

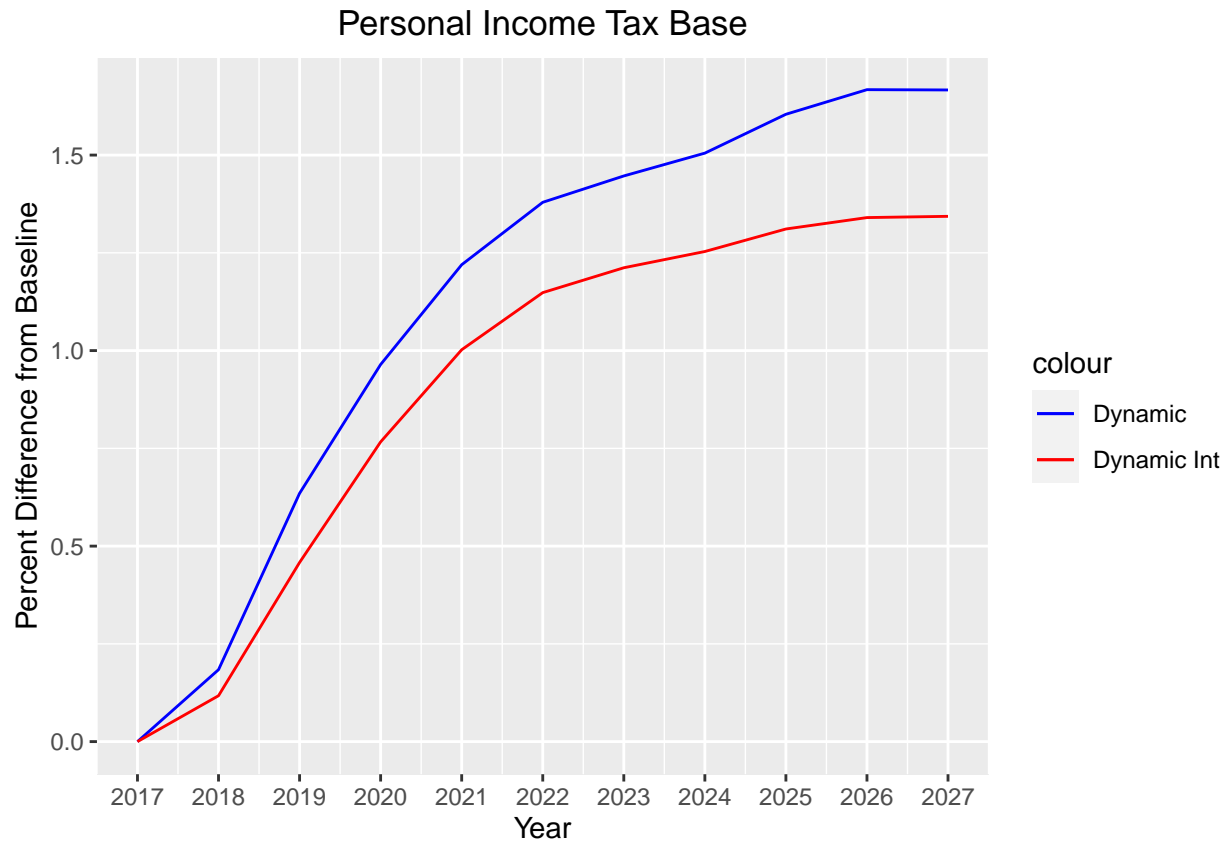
Personal Rate



Corporate Rate



Personal tax base

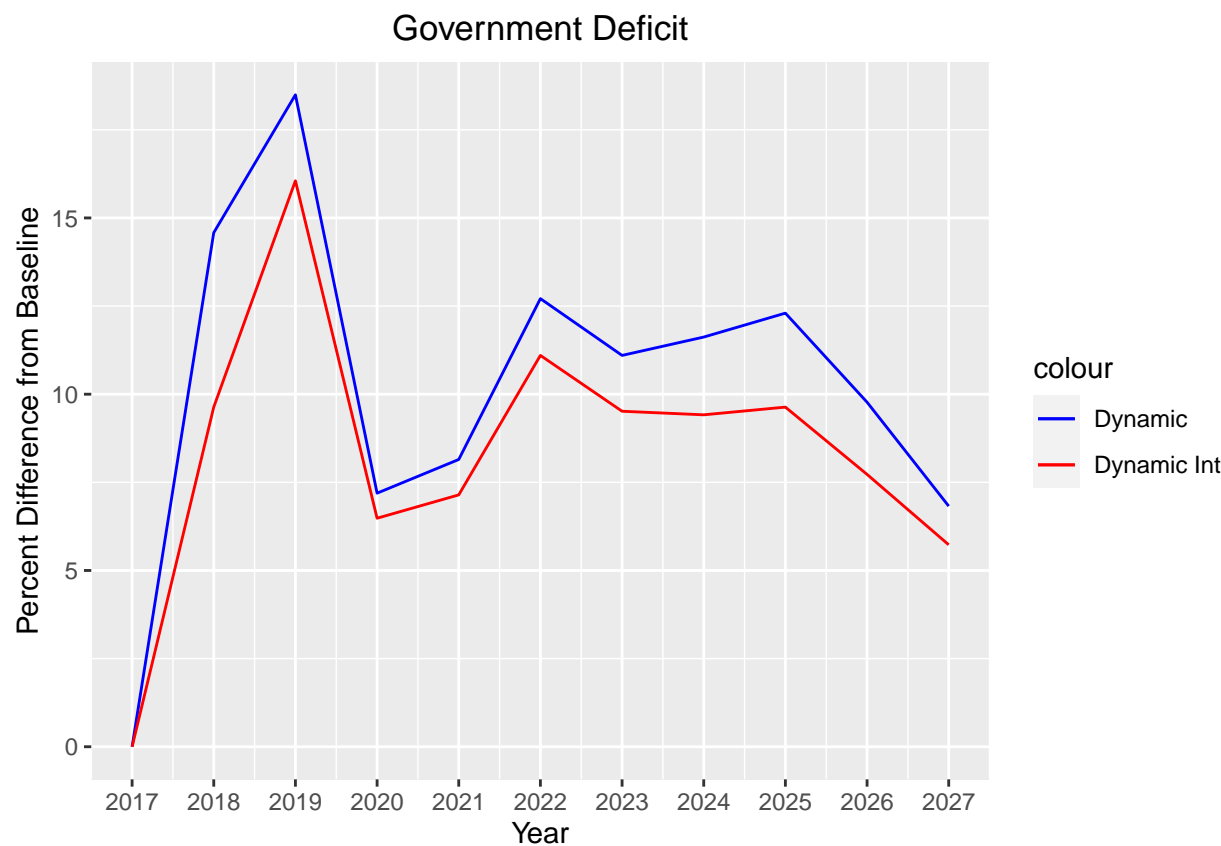


Corporate tax base

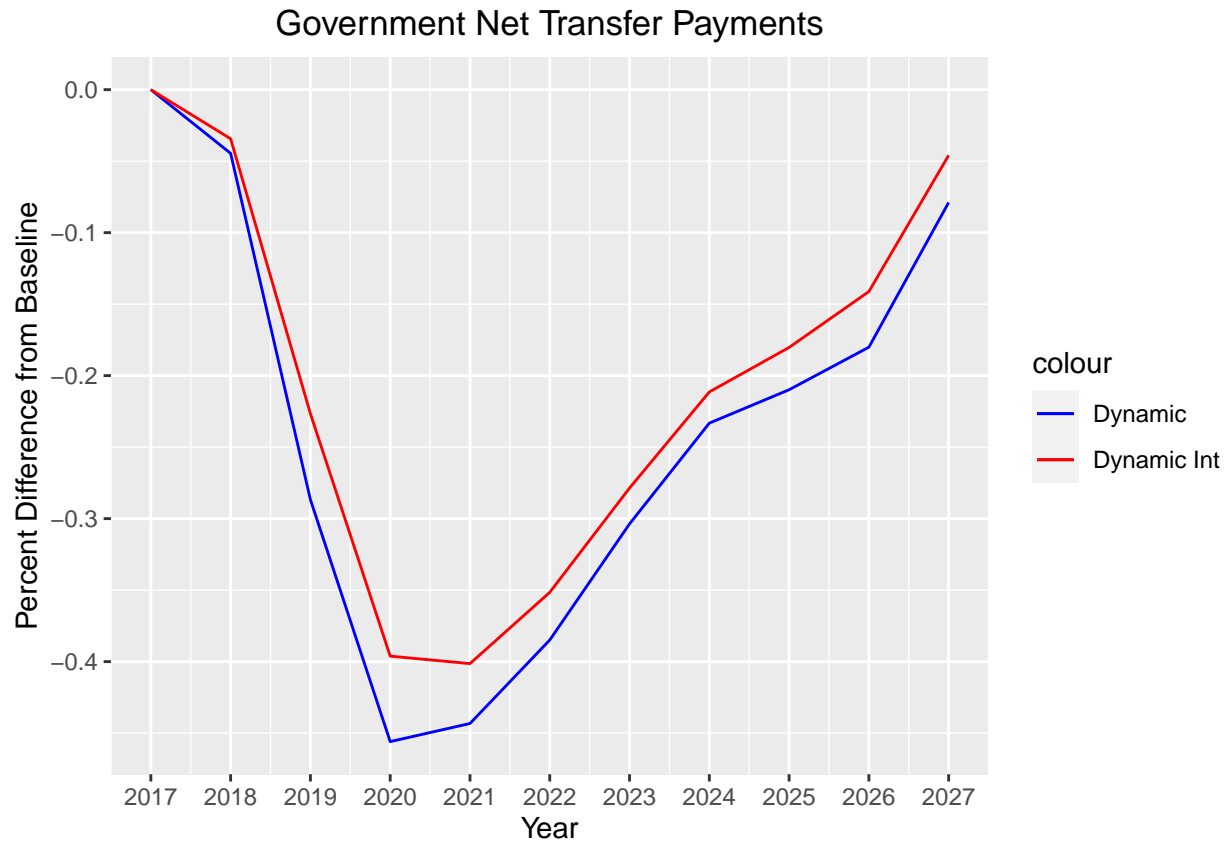


Federal Government Budget variables

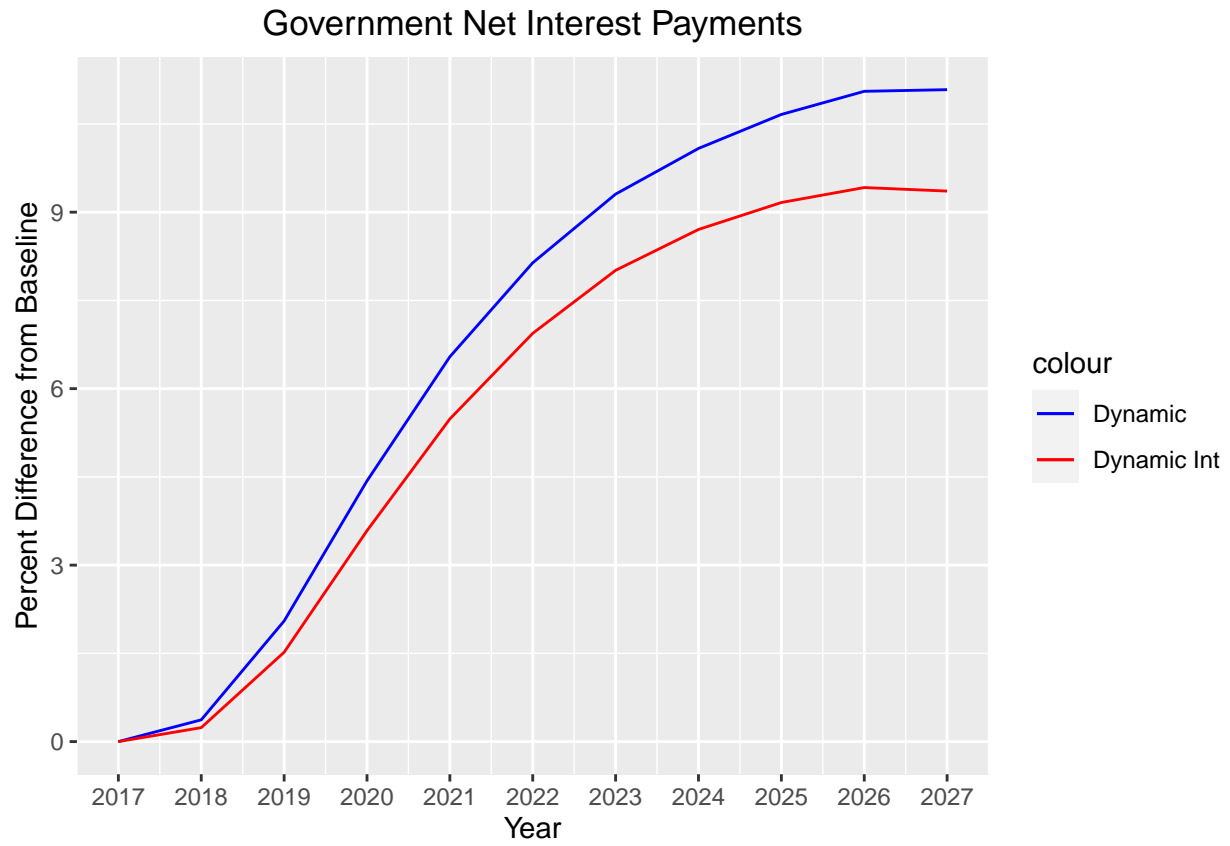
Deficit



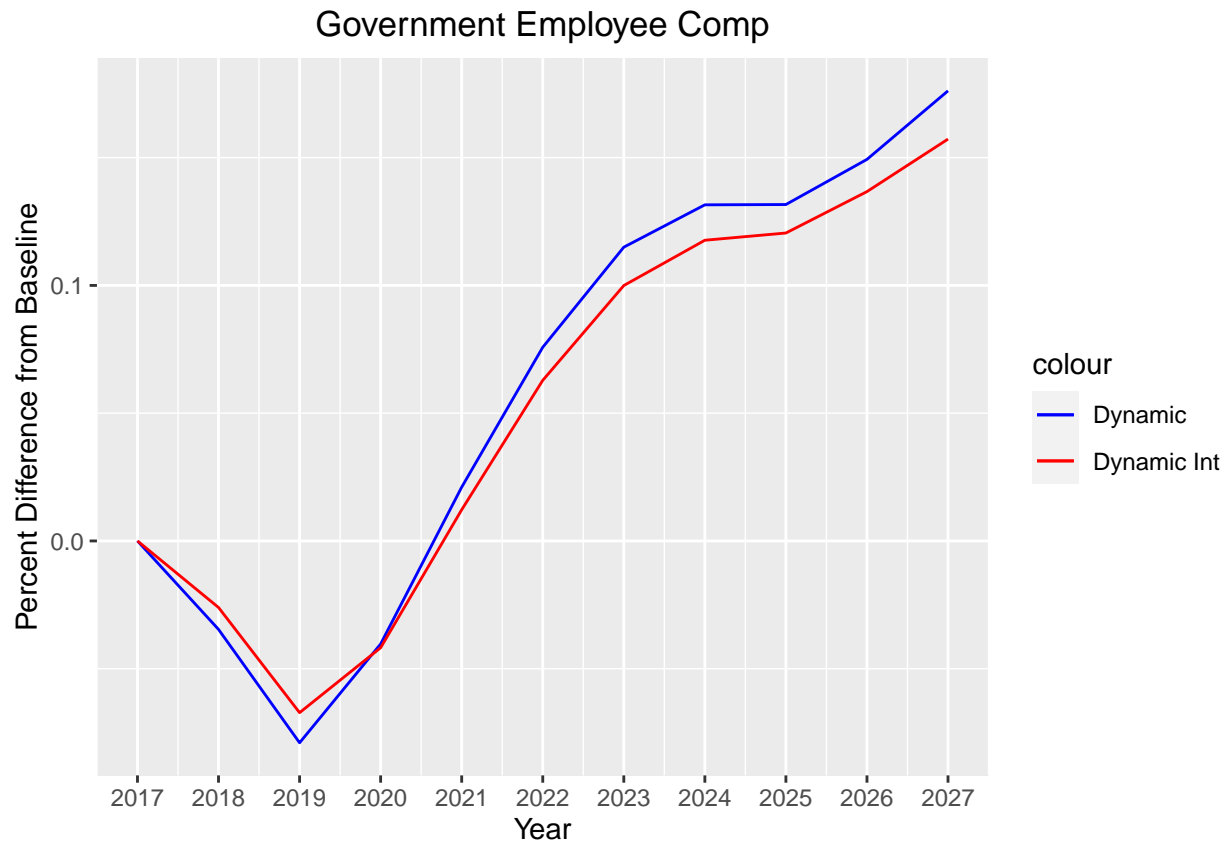
Net Transfers



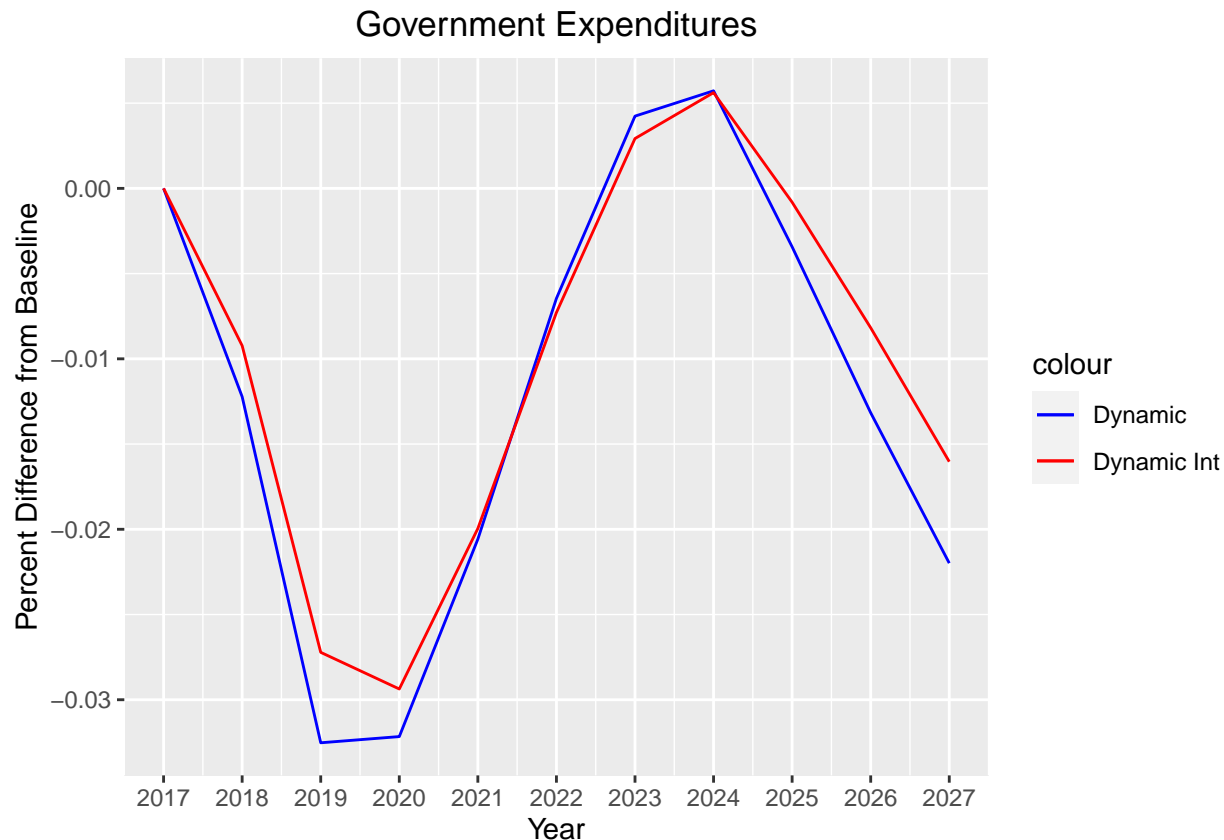
Net Interest



Fed Govnt Employee Comp



Fed Govnt Expenditures



Real GDP and components

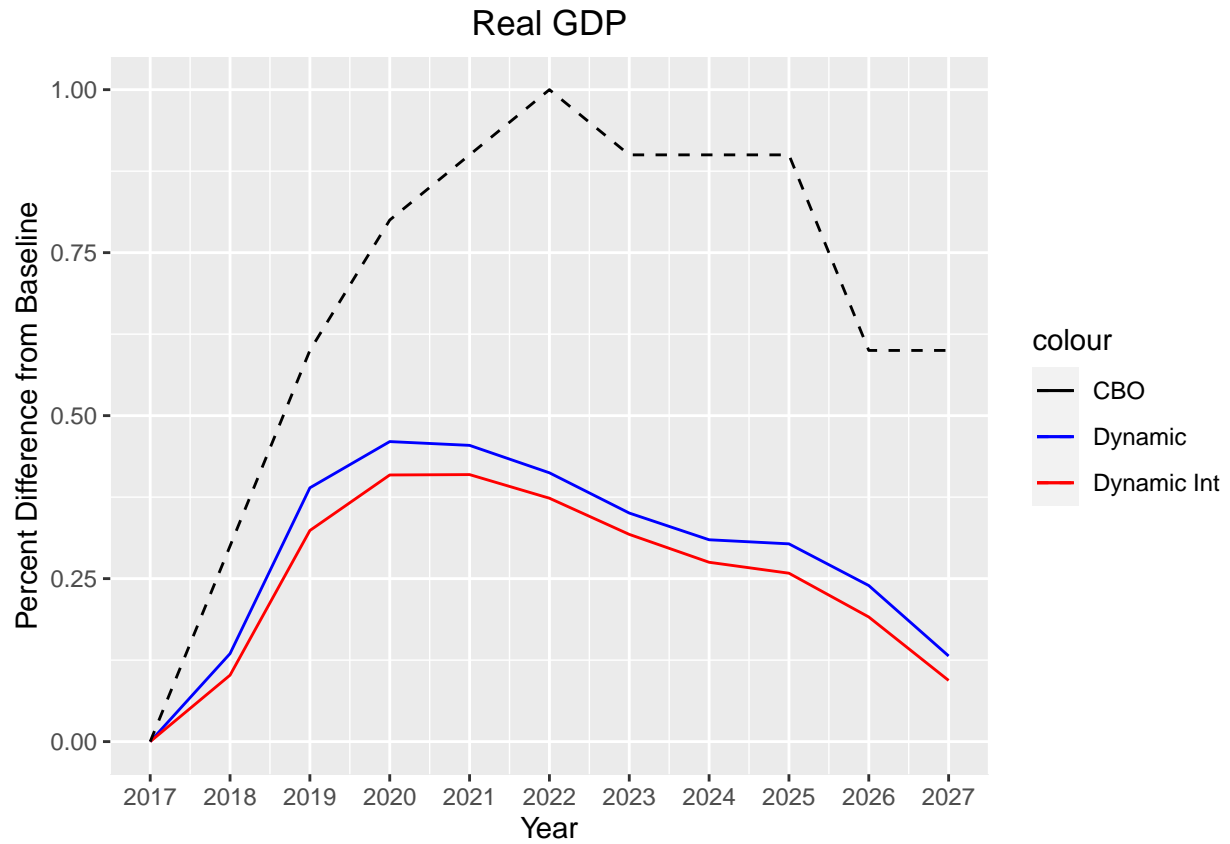
Note in the CBO Budget and Economic Outlook Report from 2018, table B-2 reports the economic effects of the TCJA. However, the effects of TCJA on the components of real GDP are reported in units as the contribution to real GDP instead of changes relative to the baseline. So, the units in this part of the table are such that the sum of the components adds to the total effect of TCJA on real GDP.

In order to put the CBO components of real GDP numbers in the same units as we have here, I basically have just been treating the CBO components of real GDP numbers as follows (using personal consumption expenditures as an example)

$$\text{Contribution of PCE to Difference Real GDP (reported in CBO table)} = \lambda_t \cdot \pi_t$$

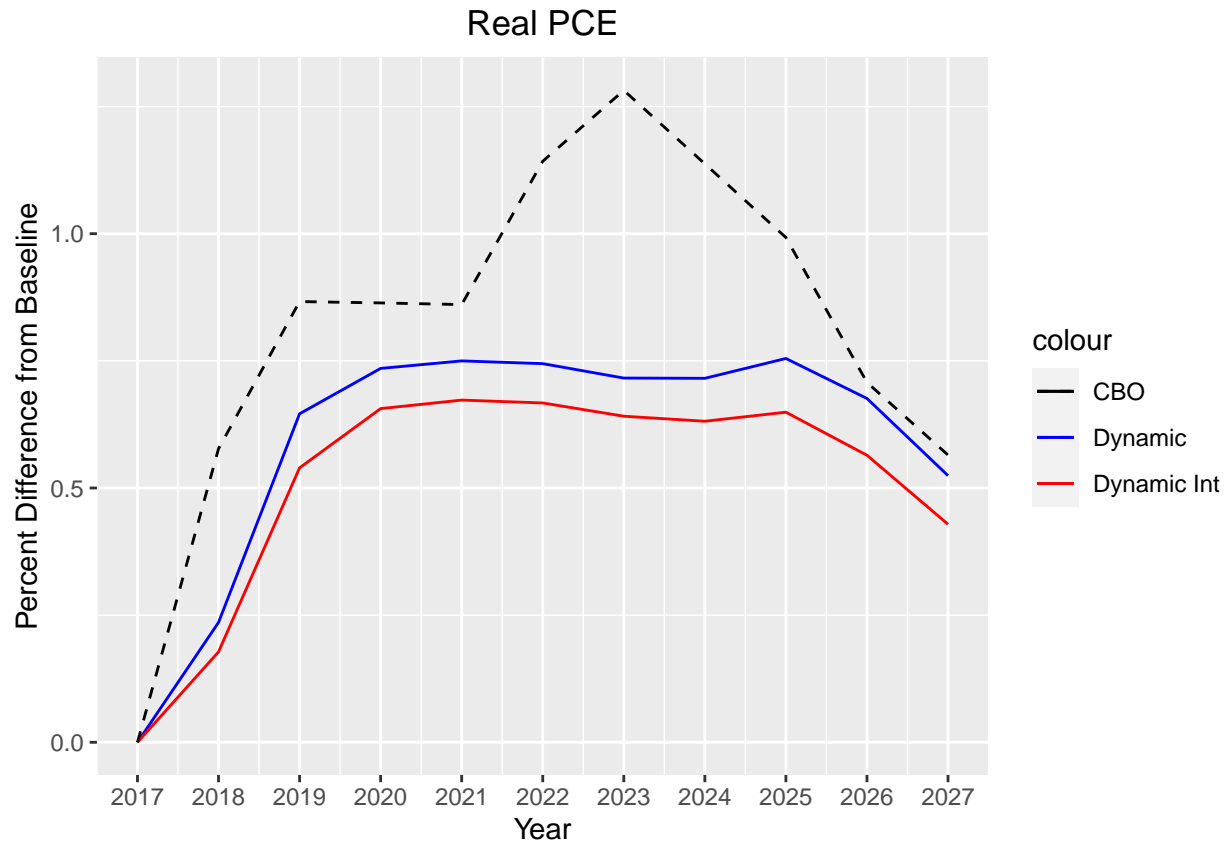
where λ_t is the ratio of Real PCE to Real GDP in levels and π_t is the percent difference in PCE post-TCJA relative to the baseline PCE. Note that π_t is what we are trying to isolate in the graphs below. This is a very quick way to do this, but there is probably a more technically correct way. So if this sounds terribly wrong, then I can adjust!

Real GDP

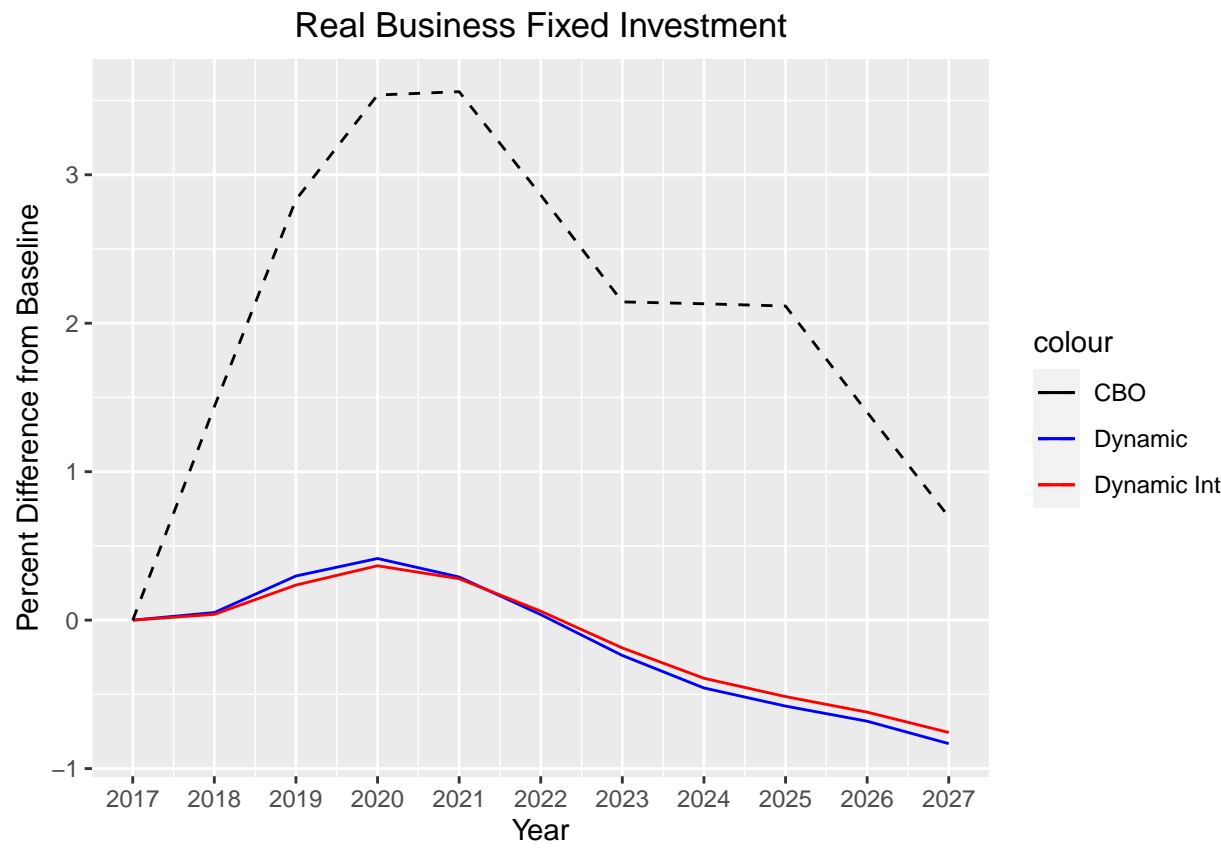


Personal Consumption Expenditures

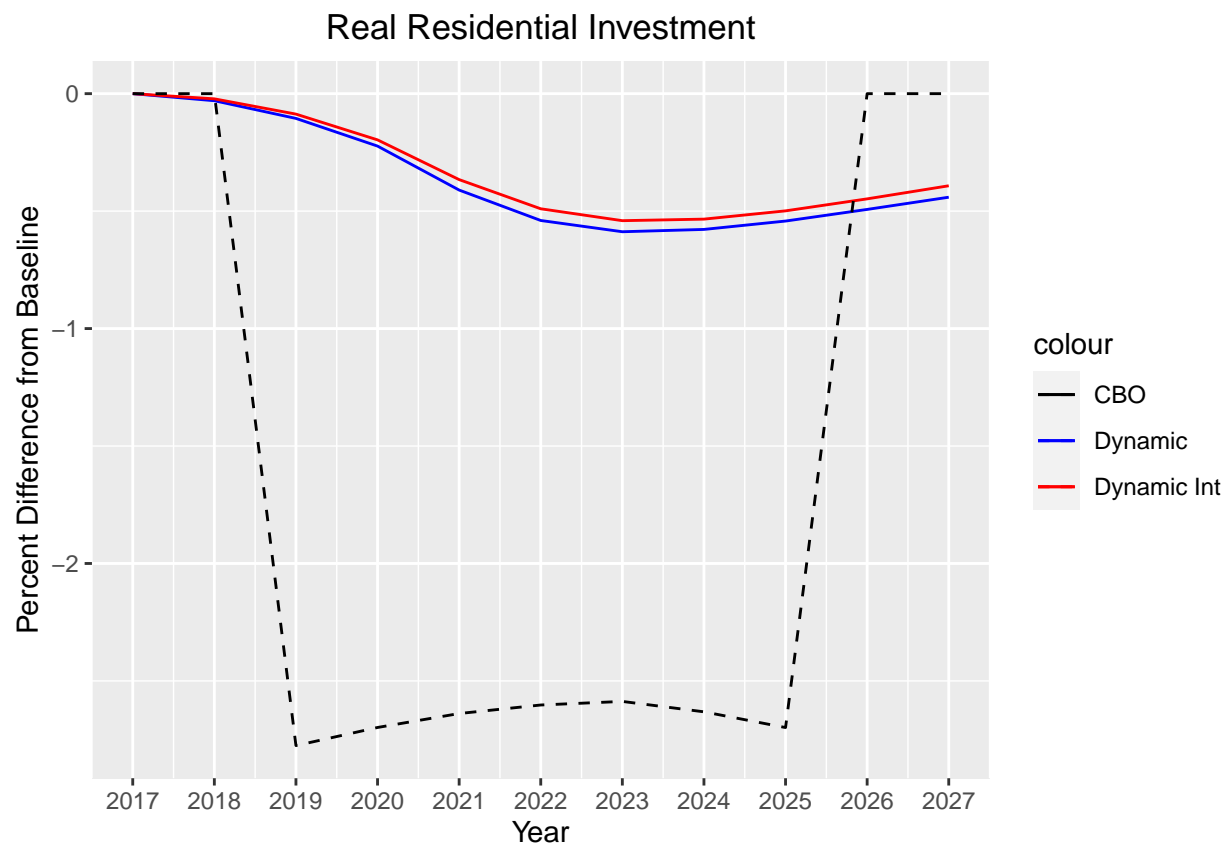
(Note CBO line refers to “private consumption”)



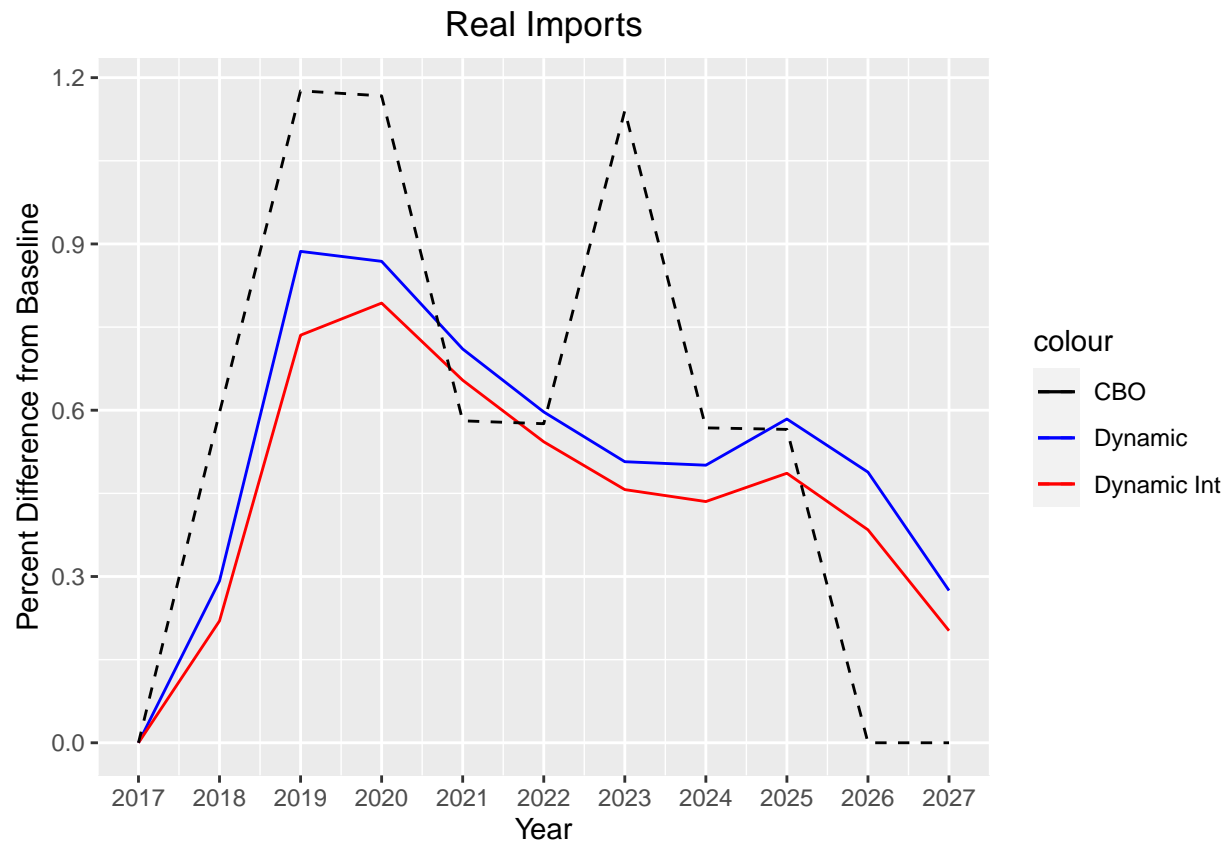
Business Fixed Investment



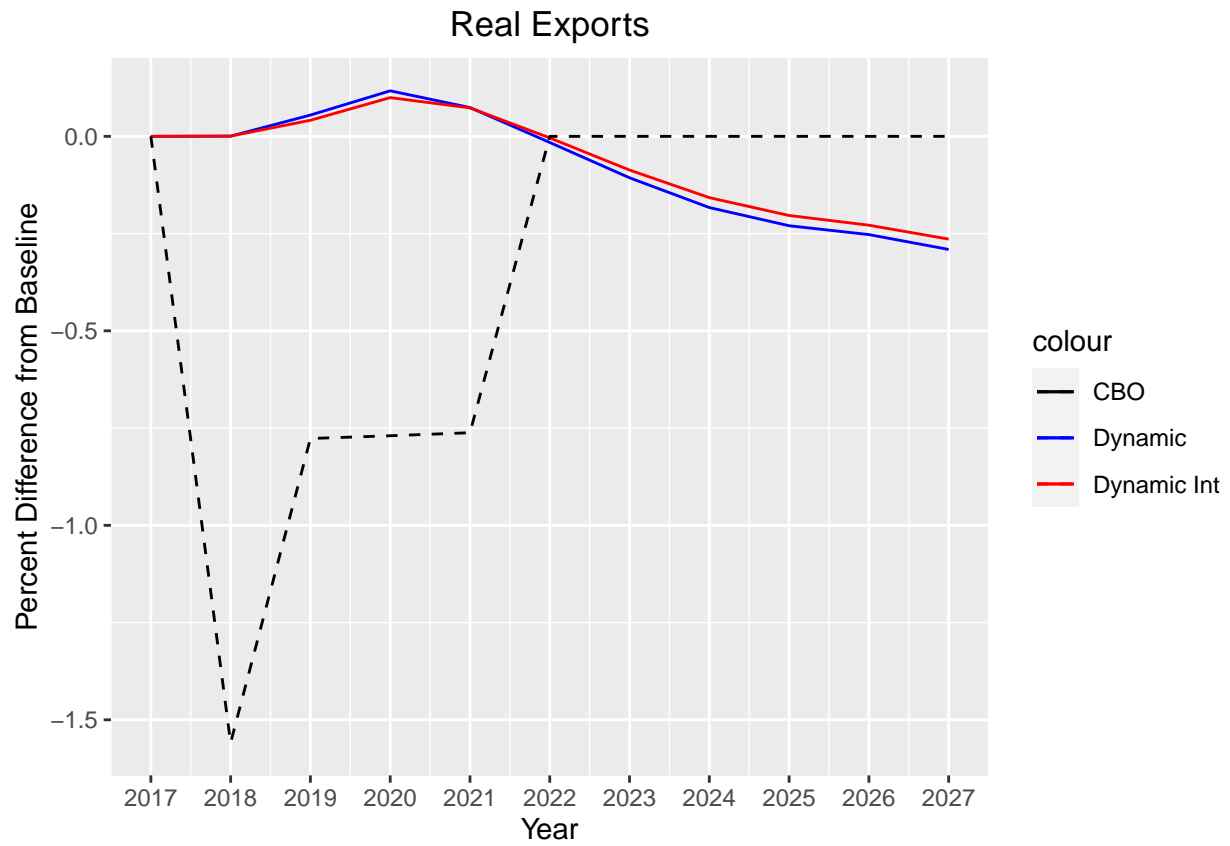
Residential Investment



Imports

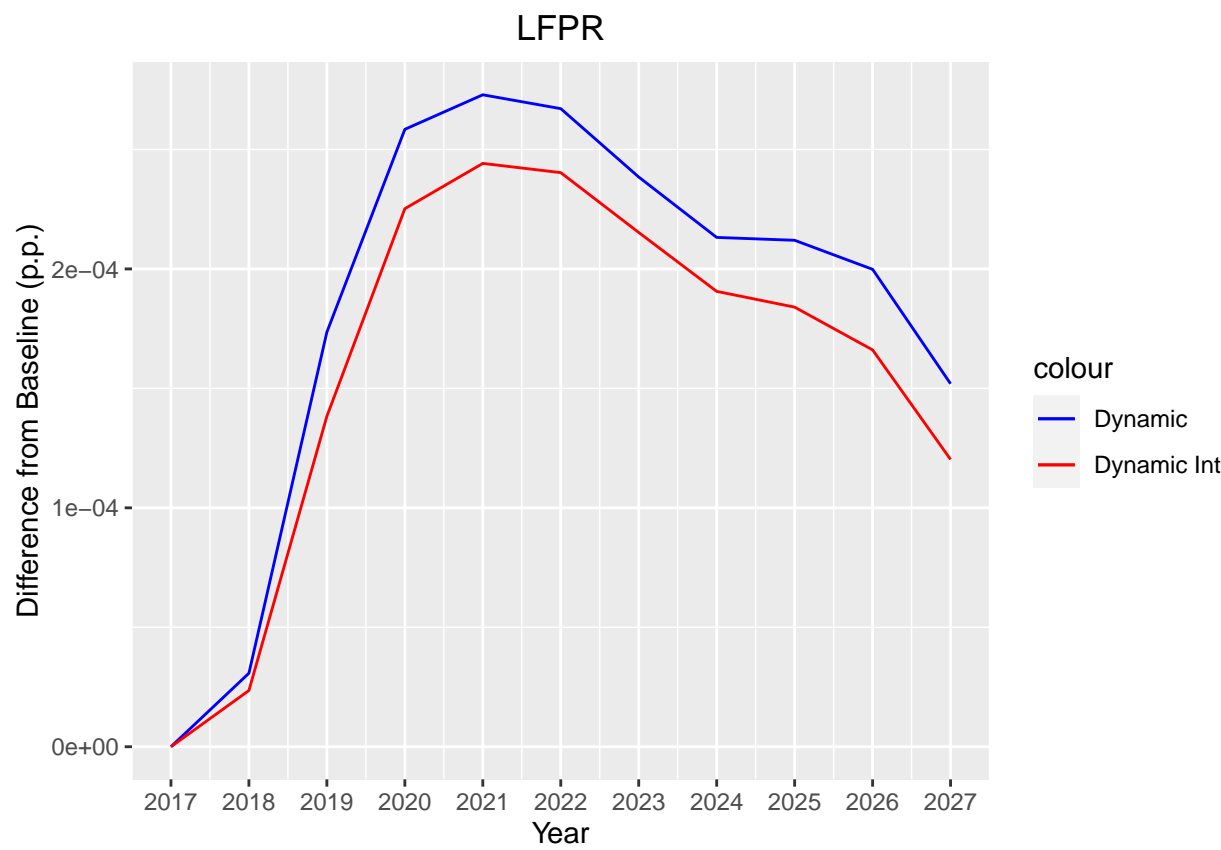


Exports

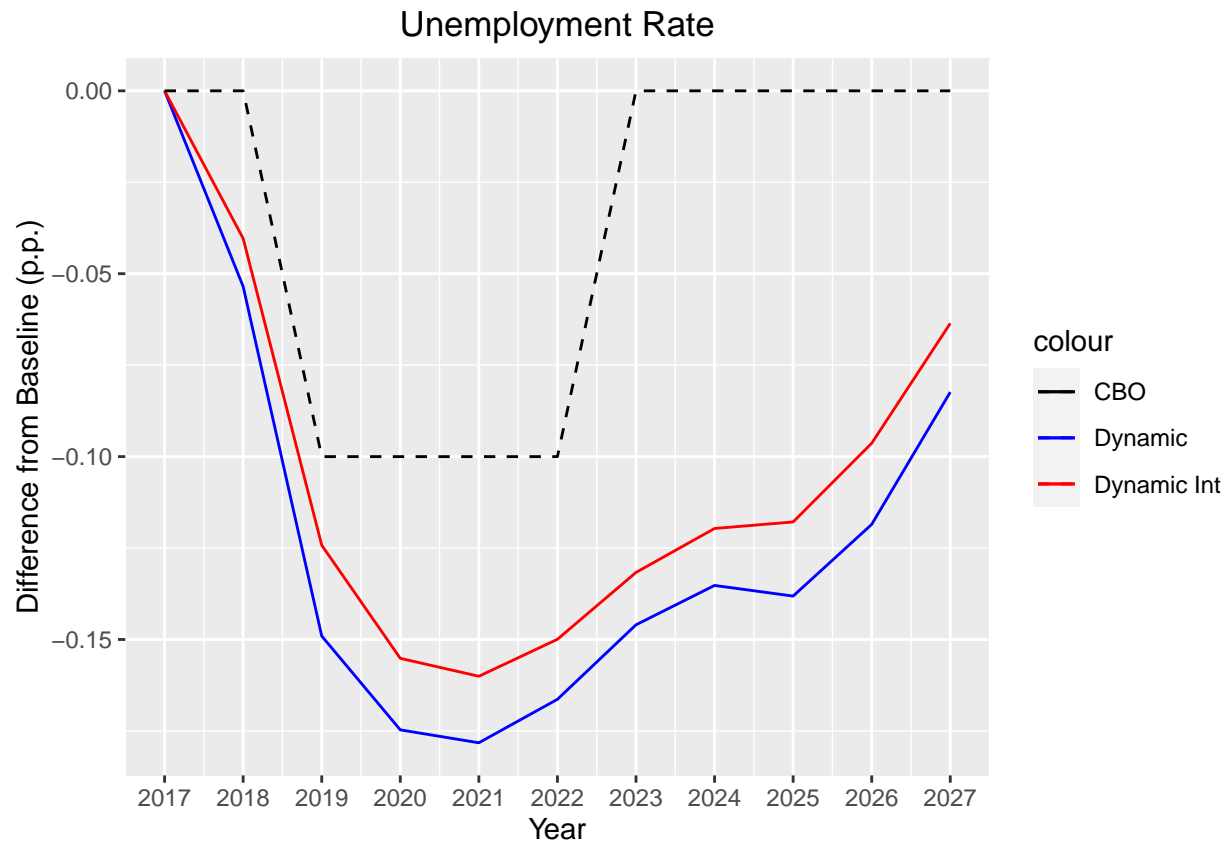


Labor Force Variables

LFPR

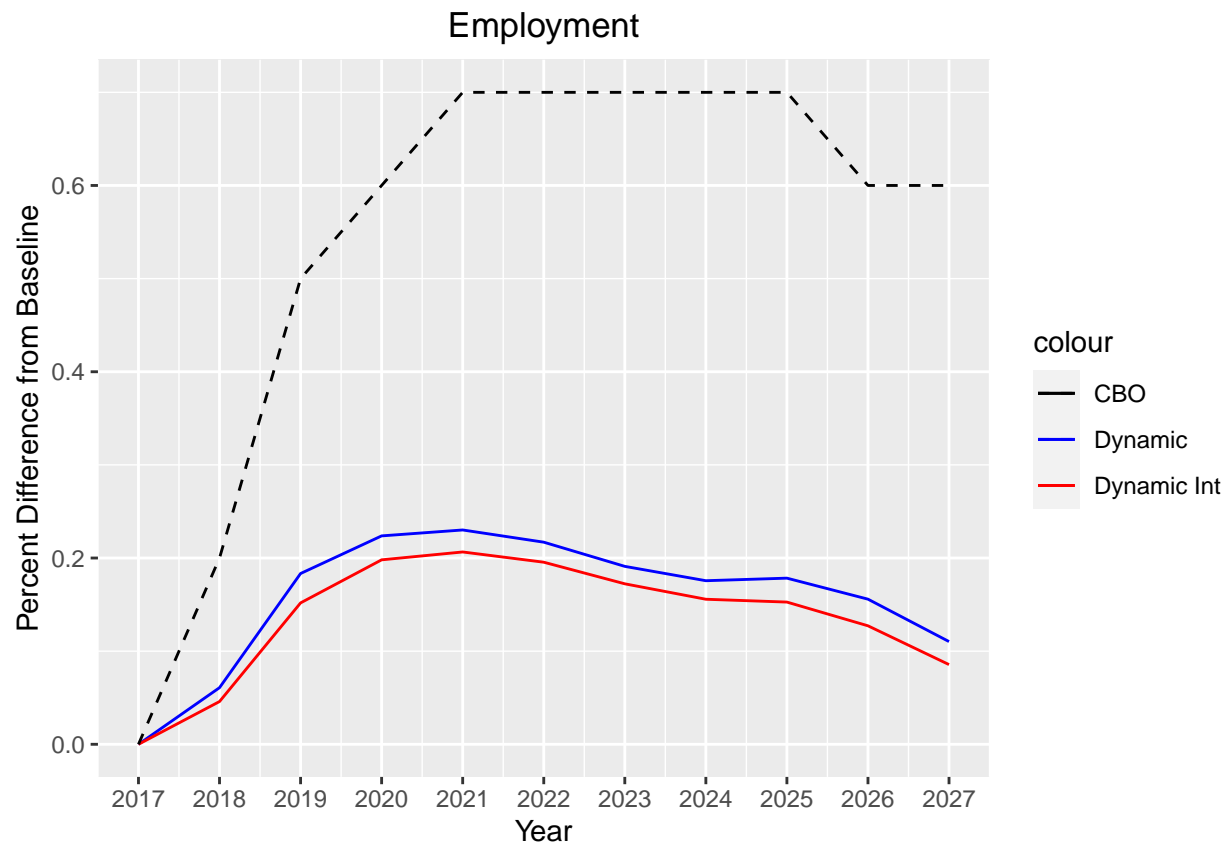


Unemployment Rate



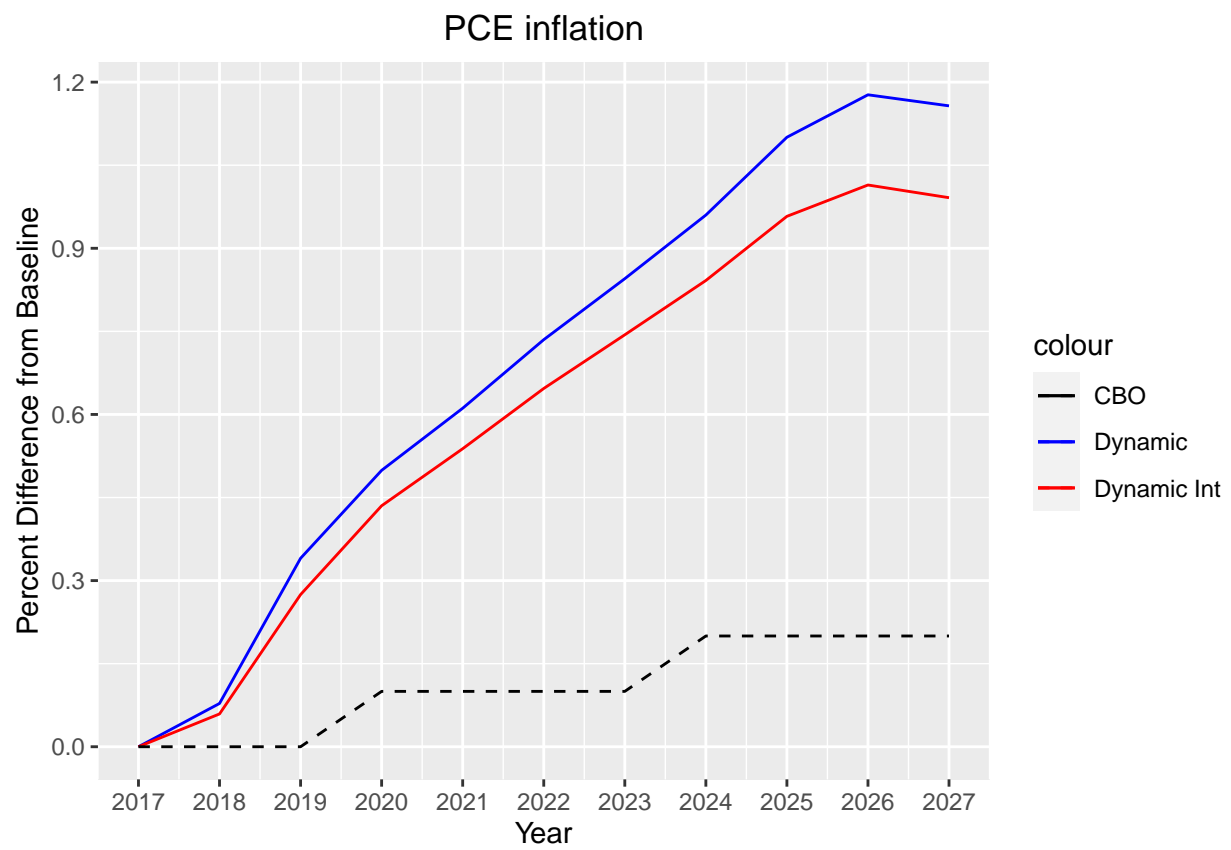
Employment

Note that CBO only reports total nonfarm payroll in their appendix B table, and the FRBUS numbers are civilian employment.



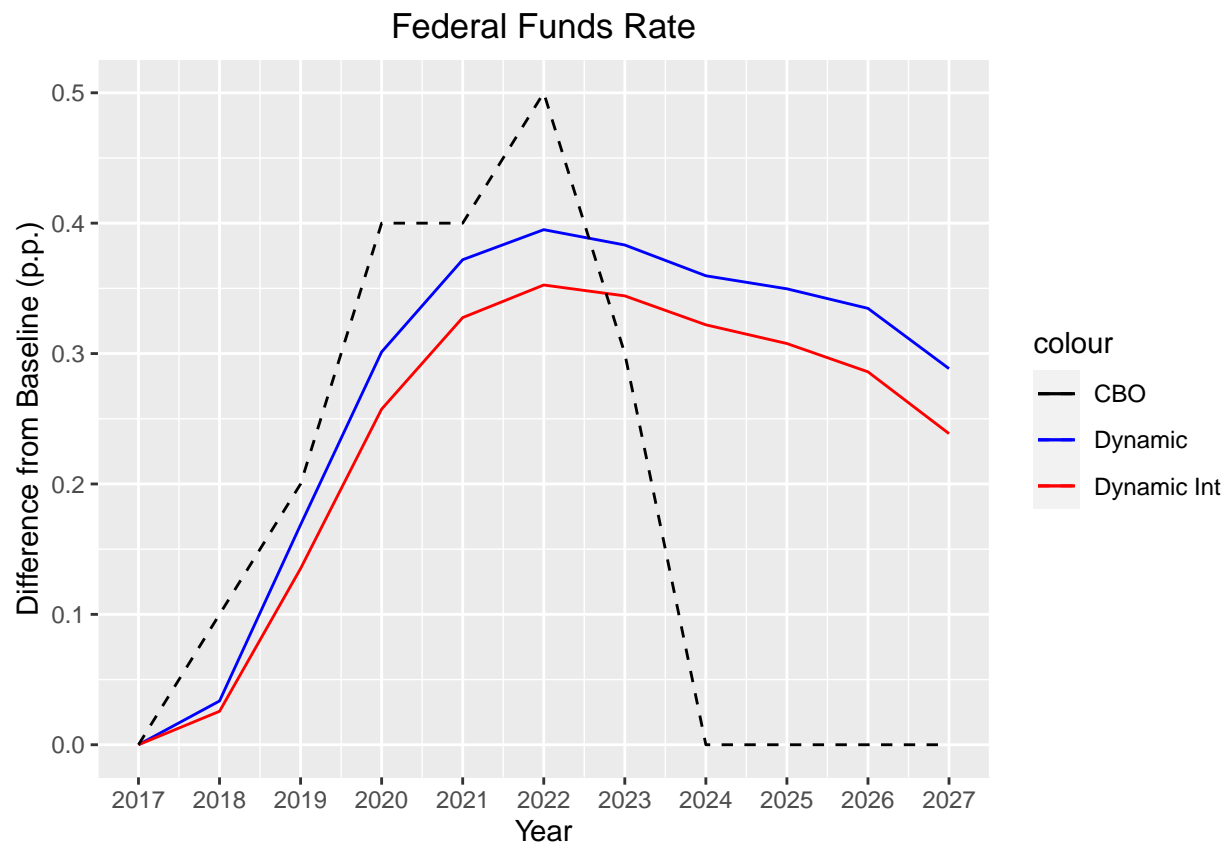
Inflation

PCE Inflation

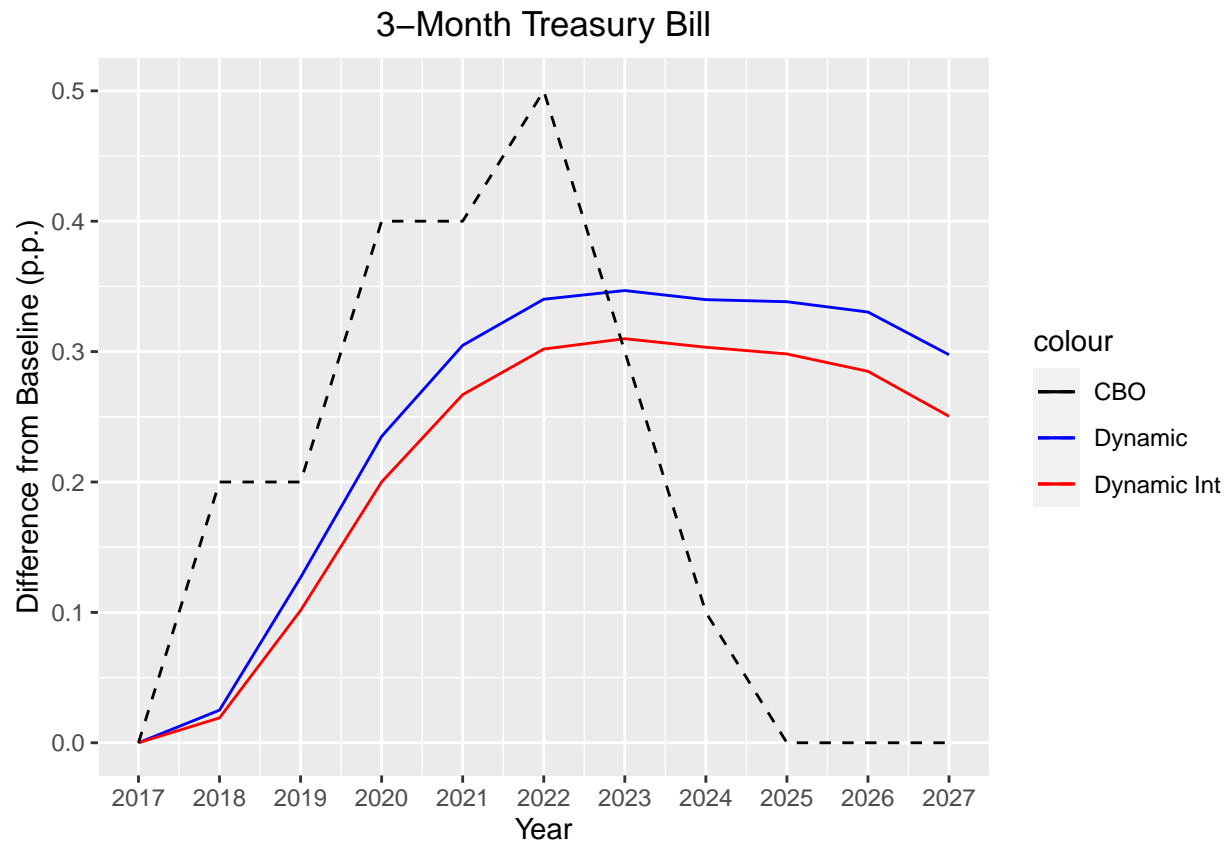


Interest Rates

Federal Funds Rate



Three-month treasury bill



10-year treasury bill

