

Macro Roundup Article

Headline: [Low Taxes and High Spending Are a Rich Country Anomaly](#)

Article Link: <https://www.bloomberg.com/opinion/articles/2023-12-11/low-us-taxes-and-higher-spending-can-t-go-together-forever?srnd=undefined&sref;=U3dOGIDF>

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Tweet: In 2000 government expenditures and receipts for all levels were roughly balanced at approximately 31% of GDP. In the first three months of 2023, expenditures were 35.3% of GDP and receipts were 27.2%. @foxjust

Summary: Since 2000, when the two were pretty much in balance, the US Bureau of Economic Analysis' estimate of government expenditures is up 4.6 percentage points as a share of GDP, while receipts (which count interest, natural resources royalties, and other revenue in addition to taxes) are down 3.8 percentage points. In other words, it's not just the spending. It's also the taxes — which are, by international standards, low. This wasn't always the case. In the 1960s, US tax revenue was right about at the OECD average as a share of GDP. In 2022, it was 6.3 percentage points lower. Related: R versus G and the National Debt and U.S. Deficit Explodes Even As Economy Grows and Living with High Public Debt

Primary Topic: Fiscal Deficits

Topics: Fiscal Deficits, Fiscal Policy, Government Spending, Op-Ed/Blog Post, Politics, Taxation

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