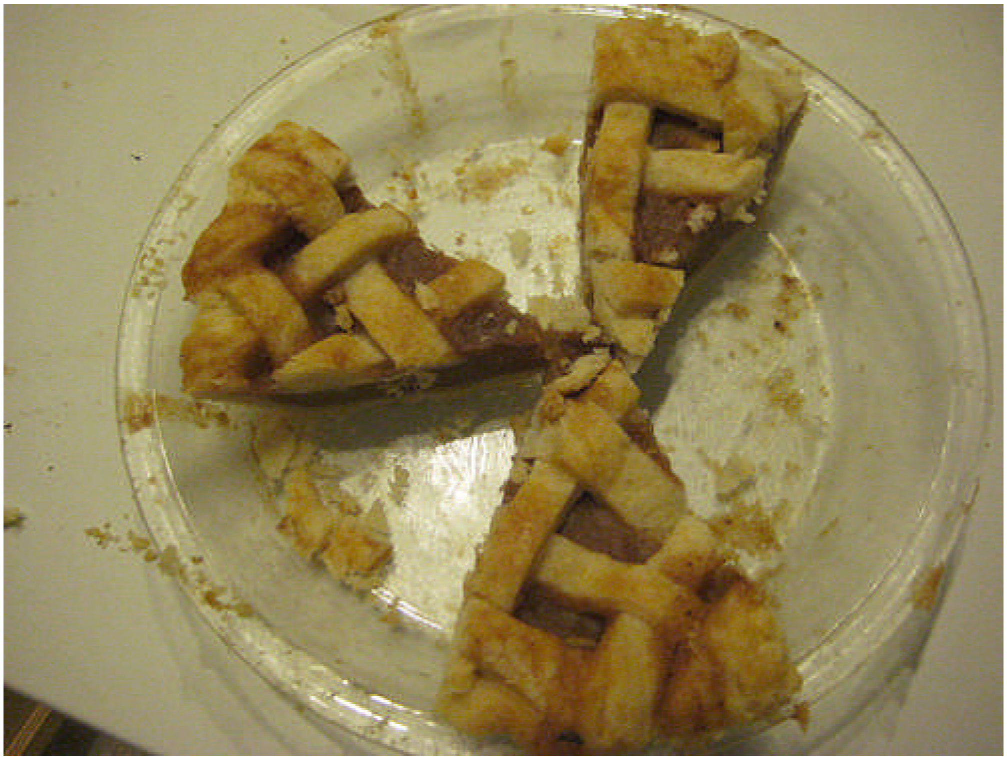

Thin Slices:

Examining Aspects of Vermont’s Tax Base

Vermont’s Blue Ribbon Tax Structure Commission

Thin Slices:
Examining Aspects of Vermont's Tax Base

A White Paper Produced by
Vermont's Blue Ribbon Tax Structure Commission

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TABLE OF CONTENTS

The size of Vermont's tax base is a key aspect of the tax system's sustainability. A broad and diverse tax base means lower tax rates throughout the state and some insulation from economic changes. A narrow tax base means fewer people pay more and more to fund Vermont's social contract. Yet, the tax base is narrowed typically by the promotion of public policy goals through the tax code. The question of whether and how to broaden the tax base, and the complex forces at work in this discussion, are key concerns of tax reform.

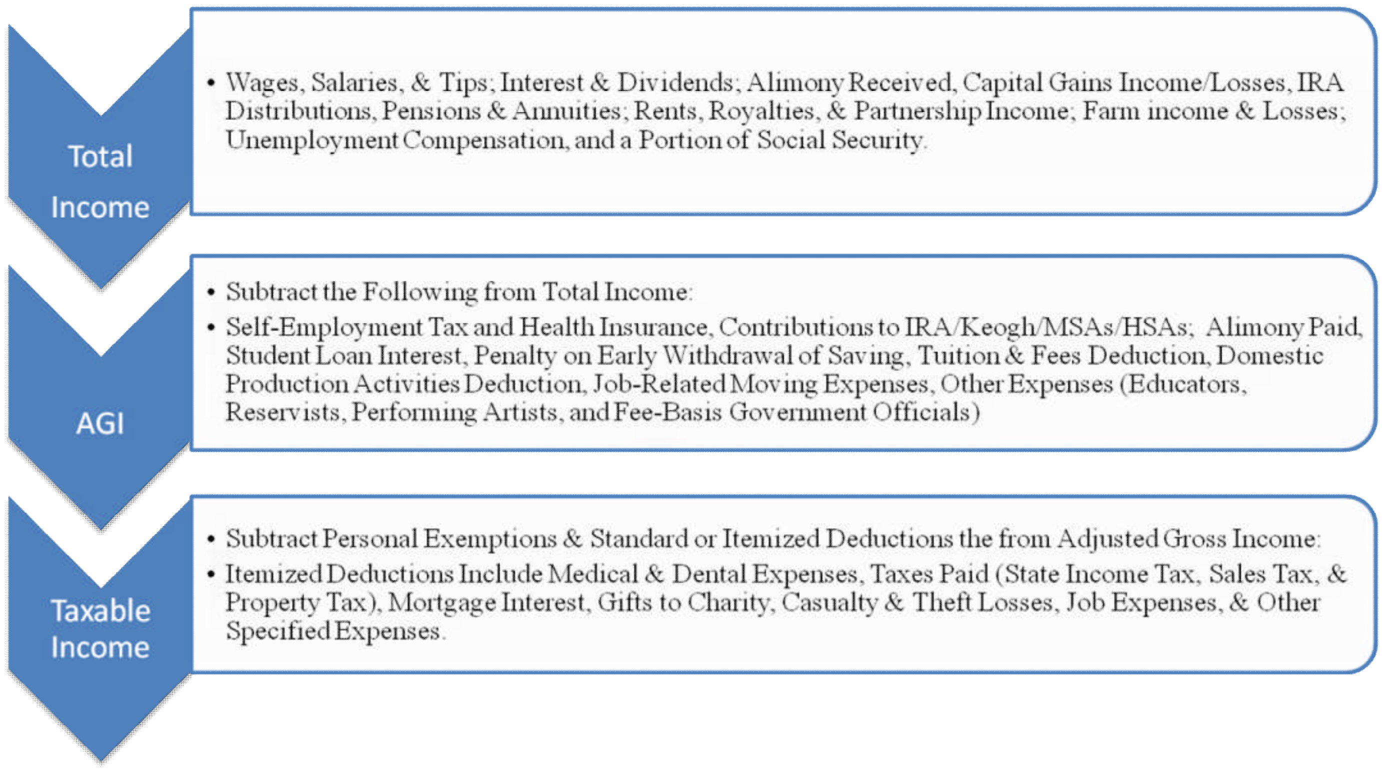
This Commission's white paper presents three snapshots of the tax system that illustrate complex questions regarding the proper size and scope of the tax base. First, the Commission will examine the effect on the tax base of defining income as federal Taxable Income for personal income tax purposes. Second, the Commission will review Vermont's use of tax expenditures. These are exceptions to the normal rules of the tax structure that favor a particular industry, activity, or class of persons. Third, the Commission will discuss the ramifications of broadening the tax base by more generally taxing services. Each snapshot offers a compelling view of the complex forces that grow or shrink the tax base.

The Definition of Income and the Tax Base

Vermont, as 36 other states, ties its definition of income to a federal definition of income.[1] The IRS defines income three different ways: Total Income, Adjusted Gross Income, and Taxable Income.[2] The policy choice of how to define income is a $5 billion dollar question for Vermont's tax base. As the chart below depicts, Vermont's personal income tax base varies dramatically, depending on whether the starting point is federal Total Income, Adjusted Gross Income, or Taxable Income. [3]

[1] A list of the tax liability starting point for each state is available at http://www.taxadmin.org/fta/rate/stg_pts.pdf
[2] Total Income is line 22 on IRS Form 1040. Adjusted Gross Income is line 37 on IRS Form 1040. Taxable Income is line 43 on IRS Form 1040. For a more detailed discussion of these three definitions of income, see Cordes et al, The Encyclopedia of Taxation and Tax Policy, 2nd edition (Washington, DC: The Urban Institute Press, 2005), 2-4.
[3] 2007 statistics courtesy of the Vermont Department of Taxes. See, http://www.leg.state.vt.us/jfo/Tax%20Commission/AGI-TI%20Summary%20Stats%2008-2009%20SM.pdf

The federal income tax calculation begins with Total Income, which includes the inputs commonly associated with income.[4] Adjusted Gross Income (AGI) takes Total Income and subtracts deductions enumerated by the federal government. These deductions remove approximately $300 million from the tax base. Taxable Income further reduces the tax base by $4.8 billion by subtracting exemptions and the standardized/itemized deductions. These progressions, from a general measure of income through two-levels of policy preferences that shrink the tax base, are summarized in the chart below.[5]



It is valuable to examine the federal policy choices Vermont promotes by linking to federal Taxable Income.[6] It is helpful to sort taxpayers into two groups to conduct this analysis. The first group includes taxpayers that take the standard deduction. The second group includes taxpayers that itemize their deductions.

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[4] The Commission does not mean oversimplify Total Income. As with Adjusted Gross Income and Taxable Income, Total Income is a combination of complex policy preferences.

[5] See Appendix A.

[6] It is also important to note that Vermont further shrinks its personal income tax base through the use of Vermont-specific exemptions and credits used to adjust federal Taxable Income for Vermont taxpayers. In Tax Year 2010, the anticipated foregone revenue from these adjustments is approximately $49.7 million. Statistics courtesy of the Legislative Joint Fiscal Office.

In Tax Year 2006, two-thirds of all Vermont tax filers took the standard deduction along with other available exemptions.[7] By using federal taxable Income as a base, these tax filers reduced their AGI by $2.13 billion. In Tax Year 2006, one-third of taxpayers itemized their deductions. By using federal Taxable Income as a base, these taxpayers reduced their AGI by approximately $2.6 billon. The top five itemized deductions from the tax base provide a general idea of what the Commission means when it says that shrinking the tax base is a matter of removing revenue in support of policy preferences.

In 2006, the top five itemized deductions were:

- Mortgage Interest Deduction, $645,352,025
- State and Local Tax Deduction, $464,701,200[8]
- Real Estate Tax, $ 383,875,228
- Charitable Contributions, $239,090,505
- Medical Expenses, $128,275,332

Essentially, the above statistics can be framed the following way: Vermont chose to forego revenue, and narrow its tax base, in order to support the policy goals set forth above. For example, if we apply Vermont's average annual effective income tax rate over the past thirty-two years (3.08%) to the Mortgage Interest Deduction, it is fair to say that Vermont shrank its tax base by at least $19,812,307 in Tax Year 2006 to subsidize homeownership for Vermonters.[9] Applied to each of the top five itemized deductions, Vermont removed at least $57 million dollars from the tax base based on the decision to define income as federal Taxable Income.

- Mortgage Interest Deduction, $19,876,842
- State and Local Tax Deduction, $14,312,796
- Real Estate Tax, $11,823,357
- Charitable Contributions, $7,363,987
- Medical Expenses, $3,950,880

This $57 million would have allowed policymakers to replace ten percent of the income tax revenue in 2006. In reality, this number, or any number derived from itemized deductions, is likely to be much higher since taxpayers that itemize deductions typically earn more and pay a higher effective income tax rate. Vermont is one of only nine states to define income as federal Taxable Income and shrink its tax base by adopting all federal deductions and exemptions.[10]

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[7] Statistics based on Vermont Department of Taxes. See http://www.leg.state.vt.us/jfo/Tax%20Commission/In-State%20Utilization%20of%20Deductions%20TY%202006%2009-2009%20SM.pdf
[8] Beginning in Tax Year 2009, Vermont limited itemized deductions for state and local taxes paid to $5,000.
[9] Average Annual Effective Tax Rate data supplied by the Legislative Joint Fiscal Office. See Appendix B.
[10] These states are Colorado, Idaho, Minnesota, North Carolina, North Dakota, Oregon, South Carolina, Utah, and Vermont.

Twenty-seven states define income as AGI, including all other New England states and New York. [11] The choice to define income as AGI by the majority of states, including Vermont's nearest neighbors, means that these states create a much larger personal income tax base. Put another way, most states do not allow taxpayers to take the exemptions and deductions that comprise Taxable Income on both the federal and state forms.[12] Accordingly, a basic comparison of personal income tax rates may be misleading, as a smaller tax base artificially drives up tax rates.

This does not mean that other states abandon these policy priorities entirely. For example, Maine, New York, and Rhode Island allow tax-filers to deduct mortgage interest from federal AGI, but the state does not permit all itemized deductions to be subtracted from AGI.[13] These choices demonstrate a higher degree of local control in promoting this policy. This is similar to Vermont's decision to permit tax filers to deduct only $5,000 of state and local taxes paid when calculating Taxable Income.[14]

It is clear that Vermont makes a substantial financial commitment to promoting certain federal public policy choices by defining income as federal Taxable Income. Furthermore, most other states do not share this commitment. Accordingly, it is incumbent upon policymakers, taxpayers, and this Commission to wrestle with the issue of whether the policy benefits of this substantial investment outweigh the generally accepted benefits of a broader tax base. As stated in the introduction of this paper, a broader tax base generally means lower overall rates, less volatility due to economic stress and federal tax changes, and a more transparent tax system. [15] This analysis is made more difficult because no analytic tool is currently utilized by Vermont to judge the efficacy of these pass-through federal policies. The Commission will, through its deliberations, seek to understand what the personal income tax would look like if Vermont chose to broaden its tax base and how that may or may not enhance the tax system's sustainability, competitiveness, and equity.[16]

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[11] This does not include New Hampshire, which does not levy an income tax.
[12] Connecticut does not allow itemized deductions. Maine reduces itemized deductions for individual filers with a taxable income over $83,400 and joint filers over $166,800. Massachusetts severely curtails itemized deductions, including disallowing the mortgage interest deduction. New Hampshire does not have an income tax. New York allows taxpayers a smaller list of itemized deductions than the federal code. Rhode Island reduces itemized deductions for individual filers with a taxable income over $83,400 and joint filers over $166,800.
[13] See http://www.tax.state.ri.us/forms/2009/Income/2009%20Resident%20Booklet022010.pdf
[14] See http://www.state.vt.us/tax/pdf.word.excel/forms/2009/2009IN-154-corrected-2.pdf
[15] Patrick Fleenor, "Taxing More, Taking Less: How Broadening the Federal Tax Base Can Reduce Income Tax Rates," *Tax Foundation No. 135,* April 2005.
[16] The Commission's mandate is to make tax reform revenue-neutral. Therefore, broadening the tax base does not mean, in any of the Commission's planning and deliberations, an intention to raise the overall tax burden.

Tax Expenditures and the Tax Base

The previous section examined the effect of shrinking the tax base by defining income as federal Taxable Income. This section examines the shrinking effect on the entire tax base of spending embedded throughout the tax system. This spending, known as tax expenditures, is an exception to the normal rules of the tax structure that take many forms, including "permanent exclusions from income, deductions, deferrals of tax liabilities, credits against tax, or special rates."[17] These policy preferences provide preferential treatment for a particular industry, activity, or class or persons, and they are found throughout the personal income tax, corporate income tax, consumption taxes, and the property tax. Overall, tax expenditures represent an enormous pool of foregone revenue for governments.[18]

Federal tax expenditures provide a clear example of the function and scale of tax expenditures.[19] For example, the mortgage interest deduction is one of the best known federal tax expenditures. Home owners that itemize deductions may deduct from their income the interest paid on their mortgage. In 2009, the federal government will forego $80 billion in tax revenue by making mortgage interest deductible for eligible taxpayers who itemize their deductions.[20] This single homeownership subsidy costs approximately three times more than all other federal housing programs combined.[21] This is just one thin slice of the $878 billion the federal government spent on tax expenditures in 2008.[22] As with the federal government, Vermont's tax expenditures are both numerous and expensive.

Specifically, an increased revenue stream in one area of the tax system would be offset by lower rates within that area of the tax system or somewhere else.

17 Surrey, Stanley S., and Paul R. McDaniel, *Tax Expenditures* (Cambridge, MA: Harvard University Press), 1985, p 3

18 Jason Levitis, Nicholas Johnson, and Jeremy Koulish, "Promoting State Budget Accountability Through Tax Expenditure Reporting," *Center on Budget Policies and Priorities*, April 2009. http://www.cbpp.org/files/4-9-09sfp.pdf. The study's speculation that states spend in either the tens or hundreds of billions of dollars annually seems reasonable given a review of available tax expenditure budgets.

19 Government Accountability Office, *Tax Expenditures Represent a Substantial Federal Commitment and Need to Be Reexamined* (Washington, DC: GPO, 2002). http://www.gao.gov/new.items/d05690.pdf.

20 Government Accountability Office, *Home Mortgage Interest Deduction* (Washington, DC: GPO, 2009). http://www.gao.gov/new.items/d09769.pdf

21 Leonard Burman, "Is the Tax Expenditure Concept Still Relevant?" *National Tax Journal* 56:613 (September 2003), 620.

22 The Joint Committee on Taxation, *Estimates of Federal Tax Expenditures for Fiscal years 2009-2013* (Washington, DC: GPO, 2010.) http://www.jct.gov/publications.html?func=startdown&id=3642

In tax year 2010, Vermont will have one-hundred and sixty-two individual tax expenditures that forego approximately $1 billion in tax revenue.[23] In other words, the government would have collected an additional $1 billion without these policy choices to exempt certain taxpayers from taxes.[24] This is a substantial diminution of the tax base in a State that collects approximately $2.4 billion in tax revenue.[25] A closer look at the tax expenditure for residential fuels demonstrates the thorny questions presented by tax expenditures.[26]

The purchase of electricity, oil, gas, and other fuels for residential use is exempted from sales tax. It is estimated that this tax expenditure will shrink Vermont's tax base by $54 million in Fiscal Year 2010. Unfortunately, tax expenditures do not have a clear legislative intent.[27] Therefore, we have no way to build an assessment tool to measure their efficacy.[28] For example, if the legislative intent is to ensure that low-income residents pay the lowest possible price for heating fuel, this tax expenditure would be duplicative of government assistance programs already offered to low-income Vermonters.[29] Furthermore, the tax expenditure would likely spend too much since it is available to anyone who purchases fuel regardless of income level. Also, some may disagree with subsidizing oil given Vermont's substantial investment in green power. The Commission takes no position yet on these questions; however, this one tax expenditure displays the myriad complex choices embedded within tax expenditures.

Overall, tax expenditures are expensive, difficult to assess, and reduce transparency in the tax base. The elimination of all or some tax expenditures would likely have several salutary effects, including lowering tax rates and making the code more transparent. Also, the ability of

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[23] All Vermont specific tax expenditures referenced can be found at http://www.leg.state.vt.us/jfo/Tax%20Expenditure%20Budget%20Bill%2002-26-10.pdf

[24] Recovering all tax expenditure revenue would be extraordinarily unlikely. For example, tax expenditures that exempt government entities from property taxation are examples of tax expenditures unlikely to end.

[25] See Appendix C. Data based on Fiscal Facts 2010 and Education Fund Outlook for FY 2010. Both are available through the Legislative Joint Fiscal Office.

[26] The residential fuels tax expenditure is one of 18 individual tax expenditures that shrink the tax base by $10 million or more.

[27] The Legislature complies with many of the best practices cited by Center for Budget and Policy Priorities checklist for accountability in tax expenditures. See Levitis et al, p. 2. Specifically, a tax expenditure budget is mandated annually by 32 V.S.A. § 306(b). A tax expenditure report is mandated each biennium by 32 V.S.A. § 312. The Administration, House Committee on Ways and Means, and the Senate Committee on Finance monitor and evaluate tax expenditures. Yet, the budget committees do not evaluate or appropriate tax expenditures. Therefore, it is clear that tax expenditures do not receive the same scrutiny as direct expenditures. See the Legislative Joint Fiscal Office's website for access to aforementioned reports. http://www.leg.state.vt.us/jfo/

[28] The federal government's examination of tax expenditures contains two values for tax expenditures. The first is the foregone revenue. The second is the outlay equivalent; the estimated amount in direct spending it would take the government to accomplish the same purpose as the tax expenditure. *See* Congressional Research Service, *Tax Expenditures Trends and Critiques* (Washington, DC: Library of Congress, 2006).

[29] Vermont provides low-income individuals with $21 million of home-heating assistance through LIHEAP, the federal Low-Income Home Energy Assistance Program. See http://dcf.vermont.gov/esd/fuel_assistance

policymakers to eliminate some tax expenditures may give advocacy groups less claim to seek additional tax expenditures, thereby helping to stabilize the tax base. Yet, tax expenditures exist for a reason: They often represent laudable policy goals and perhaps a quicker and more efficient way for government to intervene in society as opposed to through direct spending programs. These facts must be considered as policymakers, taxpayers, and the Commission wrestle with tax expenditures.

Extending the Sales Tax to Services

The paper's first two sections provided snapshots of incremental reductions in the tax base that promote a policy preference. The paper's third section examines a different tax base issue. Specifically, the Commission will examine extending the sales tax to the sale of services, a class of transactions not generally taxed.

Typically, the sales tax applies to goods and not services. For example, imagine that a taxpayer purchases laundry detergent at the grocery store. The taxpayers would remit six percent of the sales price in taxes. Alternatively, imagine a taxpayer pays a drycleaner to launder his clothes. The taxpayer does not remit sales tax for the purchase of that service. This distinction between the taxable sales of goods and the tax exempt sale of services is both longstanding and widespread.[30]

The majority of states that levy a sales tax enacted it during the Great Depression.[31] The sales tax was meant as a quick, enforceable way to raise revenue by taxing personal consumption.[32] Only two states, New Mexico and Hawaii, have taxed services since the inception of their sales tax code.[33] The distinction between the tax treatment of the sales of goods and the sale of services persists to this day as most states, including Vermont, still tax services in a limited and ad hoc manner.

In 2007, the Federation of Tax Administrators (FTA) published a comprehensive survey of state taxation of services.[34] Overall, the FTA identified 168 different services that could be

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[30] Michael Mazerov, "Expanding Sales Taxation of Services: Options and Issues," *Center on Budget Policies and Priorities*, July 2009. Available at http://www.cbpp.org/files/8-10-09sfp.pdf. An earlier version of the paper was published in *State Tax Notes, Vol. 29, No. 3, July 21, 2003*.

[31] Mazerov at 1.

[32] Mazerov at 1.

[33] Mazerov at 1, footnote 7.

[34] The Federation of Tax Administrators publishes information regarding the sales taxation of services at http://www.taxadmin.org/fta/pub/services/services.html This includes a spreadsheet comparing the sales taxation of services in all 50 states. All references to the taxation of particular services by state are derived from this data.

taxed. On average, states tax approximately 55 services throughout these categories. The median number of services taxed by states is 55 as well. Nationally, the most common services taxed are utilities, copying services, and entertainment-related services. While most states tax more services than Vermont, Vermont mirrors the national trend.[35]

Vermont taxes 32 services, ranking 31st nationwide. Vermont's relatively low taxation of services is generally on par with the tax policies of other New England states. [36]
Vermont focuses its selective taxation of services on utilities and amusements. Utilities include regular telephone and mobile phone service, while amusements include visits to fairs, bowling alleys, the circus, and other similar events. While limited at the present time, the taxation of services is being reconsidered by states and tax reform efforts as services make up an increasing share of economic consumption.[37]

Services are making up a gradually increasing share of consumption both nationally and in Vermont. From 1967 to 2008, American consumer spending shifted from a nearly 50-50 split between goods and services to two-thirds services and one thirds goods.[38] In Vermont, the sale of goods has fallen by one- third as a percentage of state GDP over the past 30 years.[39] These statistics demonstrate the ongoing growth of the sales of services and the relative decline in the sales of goods. This trend has important consequences for the sales tax base.

The diminution of the sales of goods in favor of the sale of services has the potential to erode the tax base substantially. Conversely, the taxation of the sales of services has the potential to broaden the sales tax base significantly. Vermont is estimated to collect $321 million in sales and use tax in 2010.[40] The most recent estimate of taxing services in Vermont indicates that a sales tax on service would yield at least $150 million.[41] The analysis is limited to 21 services, and the data is from 2002. Therefore, the revenue is likely to be higher. Since the Commission's charge is to be revenue-neutral, the broadening of the tax base to include a sales

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[35] See Appendix D for a chart comparing the number of services taxed in each state.
[36] Connecticut taxes 79 different services, Maine 25, Massachusetts 18, New Hampshire 11, and Rhode Island 29. Although New Hampshire does not have a sales tax, the state levies a tax on certain services. These include lodgings, rental cars, adult telephone services, Internet providers, and some industrial and residential utilities.
[37] List recent efforts to broaden tax on services, including Maine, etc…
[38] See Appendix E. Data courtesy of the U.S. Bureau of Economic Analysis. www.bea.gov.
[39] See http://www.leg.state.vt.us/jfo/Tax%20Commission/STOS%20presentation%20VT%20Blue%20Ribbon%20Tax%20Structure%20Commission%2003%201.pdf at slide number eight.
[40] State of Vermont Emergency Board, *2010 Economic Review and Revenue Forecast Update* (Montpelier, VT, January 13, 2010). Also available in Fiscal Facts 2010.
[41] Analysis done by the Legislative Joint Fiscal Office. Available in Fiscal Facts 2010 at p. 8. See http://www.leg.state.vt.us/jfo/Fiscal%20Facts%20&%20Fiscal%20Focus/2010%20Fiscal%20Facts.pdf

tax on services could result in a substantial rate cut in the sales tax or elsewhere in the tax system.

For example, each penny of the sales tax is worth $53.5 million in state revenue.[42] A revenue-neutral inclusion of services in the tax base may allow policymakers to add approximately $150 million to the tax base and cut the sales tax rate by one-half. At 3%, Vermont's sales tax would be the lowest in New England excepting New Hampshire.[43] Furthermore, Vermont would rank 43rd nationally with a sales tax only higher than Colorado's 2.9% and the five states that do not levy a sales tax.[44] Beyond broadening the tax base, a sales tax on service may also reduce volatility.

Broadening the tax base to include services may reduce volatility in three ways. First, the sales tax base would more accurately reflect and tax societal consumption, stopping some of the sales tax base erosion.[45] Second, some scholars believe that people tend to continue to use services during a recession even if they delay large purchases.[46] Third, it has been suggested that high sales tax rates, in part high due to a narrowing tax base, have fueled consumer purchases in lower tax domains, such as the Internet.[47] Also, it is worth asking whether the distinction between purchasing goods and services still makes sense.

While the inclusion of services would undoubtedly broaden the sales tax base, reduce volatility, and reflect societal changes, taxing services is beset with complex administrative and equity problems. For example, the taxation of services would bring many more retailers into the sales tax system. This could cause administrative stress. Also, consumption taxes tend to be regressive without corresponding relief for low-income taxpayers. And, the uniform taxation of services would make Vermont an outlier among its neighbors. This could create unforeseen problems with economic competitiveness. Lastly, any sort of business-to-business sales taxation could result in higher costs for consumers. These problems are beyond the scope of this paper; however, they illuminate the tricky problems policymakers, taxpayers, and the Commission must wrestle with when creating an appropriate 21st century tax base to fund Vermont's social contract and remain economically competitive.

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[42] Fiscal Facts 2010 at p. 7.

[43] Currently, the average sales tax rate for New England and New York excluding New Hampshire is 6.375%.

[44] For a complete list of sales tax rates nationwide see http://www.taxadmin.org/fta/rate/sales.pdf; however, the list does not reflect the myriad local sales tax rates applied by many states. For example, New York's state sales tax is 4%, but local rates make the actual sales tax rate 8% or more for the vast majority of New Yorkers.

[45] Mazerov at p. 2.

[46] Mazerov at p.2.

[47] Mazerov at p.2.

Conclusion

The tax base is a key issue in the sustainability of Vermont's tax system. A broad base may help reduce artificially high tax rates and make Vermont less susceptible to political and economic volatility. Yet, a broader tax base means reducing the number of policy preferences embedded in the tax system. Frequently, these spending choices support worthy policy goals and have vocal constituencies. Concerns about transparency, administration, economic competitiveness, and equity complicate this discussion. Overall, the size of the tax base is the first riddle policymakers must solve in considering tax reform.

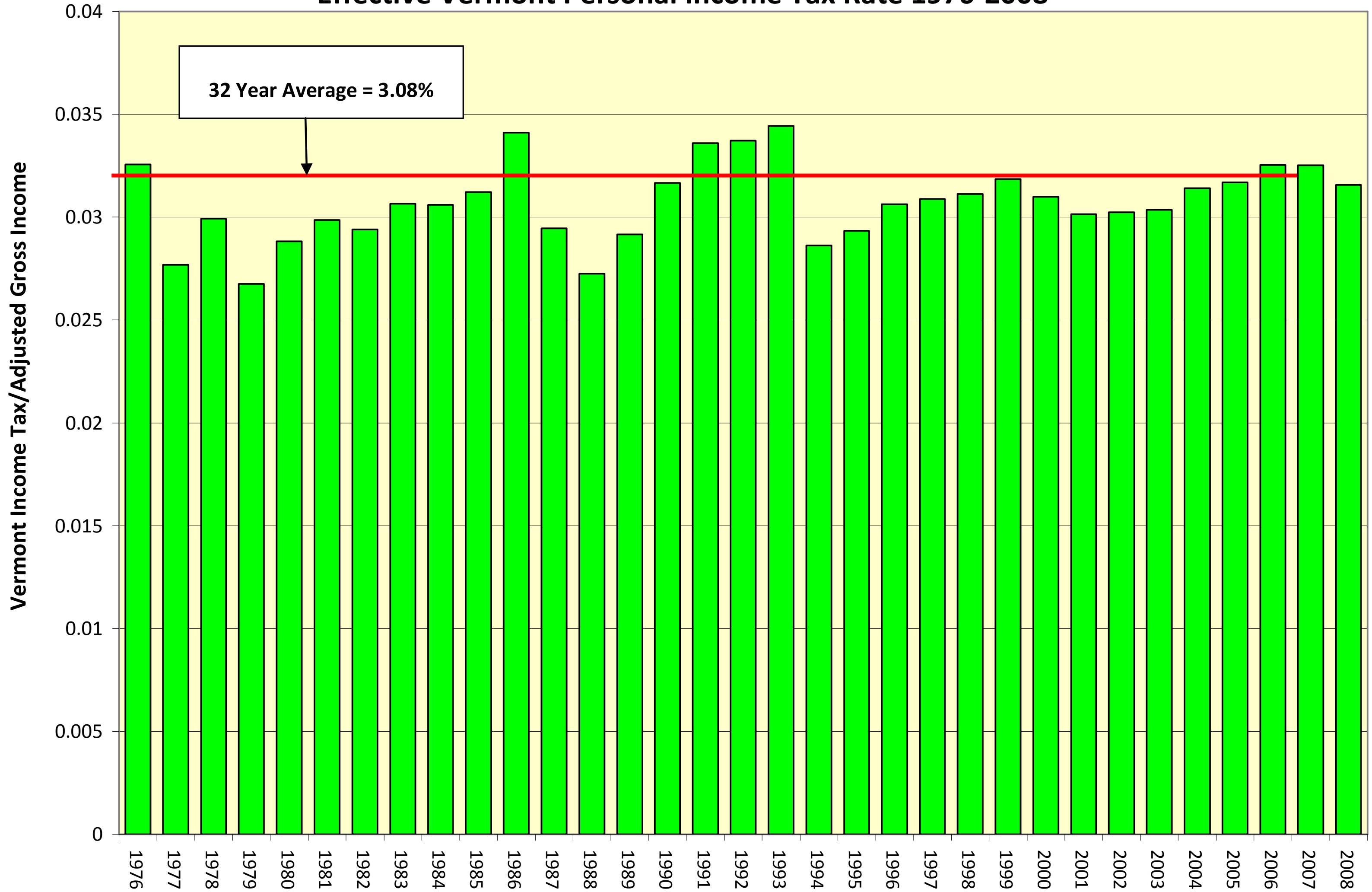
The Commission offers this paper so that Vermonters can begin to wrestle with this riddle too. We encourage you to confront fundamental questions about our tax system. Is Vermont getting sufficient return on its substantial investment in promoting federal policies through the definition of income? Should the government spend $1 billion, one-third of its total expenditures, through tax expenditures that may lack transparency and evaluative tools? Does it make sense that buying goods is taxed differently from buying services? Perhaps it would be better, for the sake of lower tax rates and a more transparent and comprehensible tax system, to eliminate most base shrinking components of the tax system. Perhaps this choice would lead to unintended consequences far worse than the current regime. These are the fundamental questions important to the Commission, and we will spend the summer and fall deliberating over them. We encourage the reader to do the same.

Appendix A:
Major Components in the Calculation of Federal Taxable Income

(Based on 2008 Tax Year)

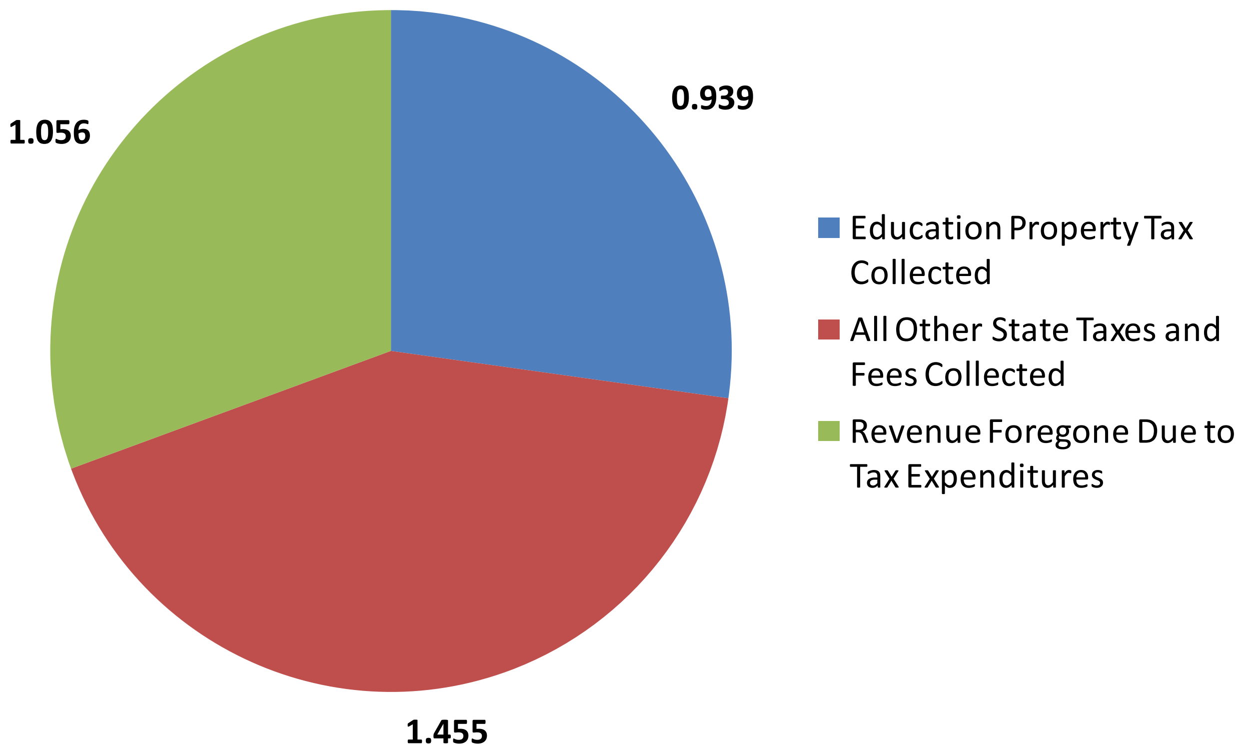
Compute **Total Income** 1040 Line 22	• **Wages, salaries, tips** • **Interest and dividends** • **Alimony received** • **Business and capital gains income or losses** • **IRA distributions** • **Pensions and annuities** • **Rents, royalties, and partnership income** • **Farm income and losses** • **Unemployment compensation** • **Portion of Social Security**
Subtract for **Adjusted Gross Income** (AGI) 1040 Line 37	• **Self-employment tax and health insurance** • **Contributions to IRA/Keogh/MSAs/HSAs** • **Alimony paid** • **Student loan interest** • **Penalty on early withdrawal of savings** • **Tuition and fees deduction** • **Domestic production activities deduction** • **Job-related moving expenses** • **Other expenses (educators, reservists, performing artists, and fee-basis government officials)**
Subtract Exemptions & Deductions for **Taxable Income** 1040 Line 43	• **Personal exemptions** • **Standard or itemized deductions** • **Itemized deductions include:** o **Medical and dental expenses** o **Taxes paid (state income tax, sales tax, and property tax)** o **Mortgage interest** o **Gifts to charity** o **Casualty or theft losses** o **Job expenses** o **Other expenses**

Appendix B:
Effective Vermont Personal Income Tax Rate 1976-2008



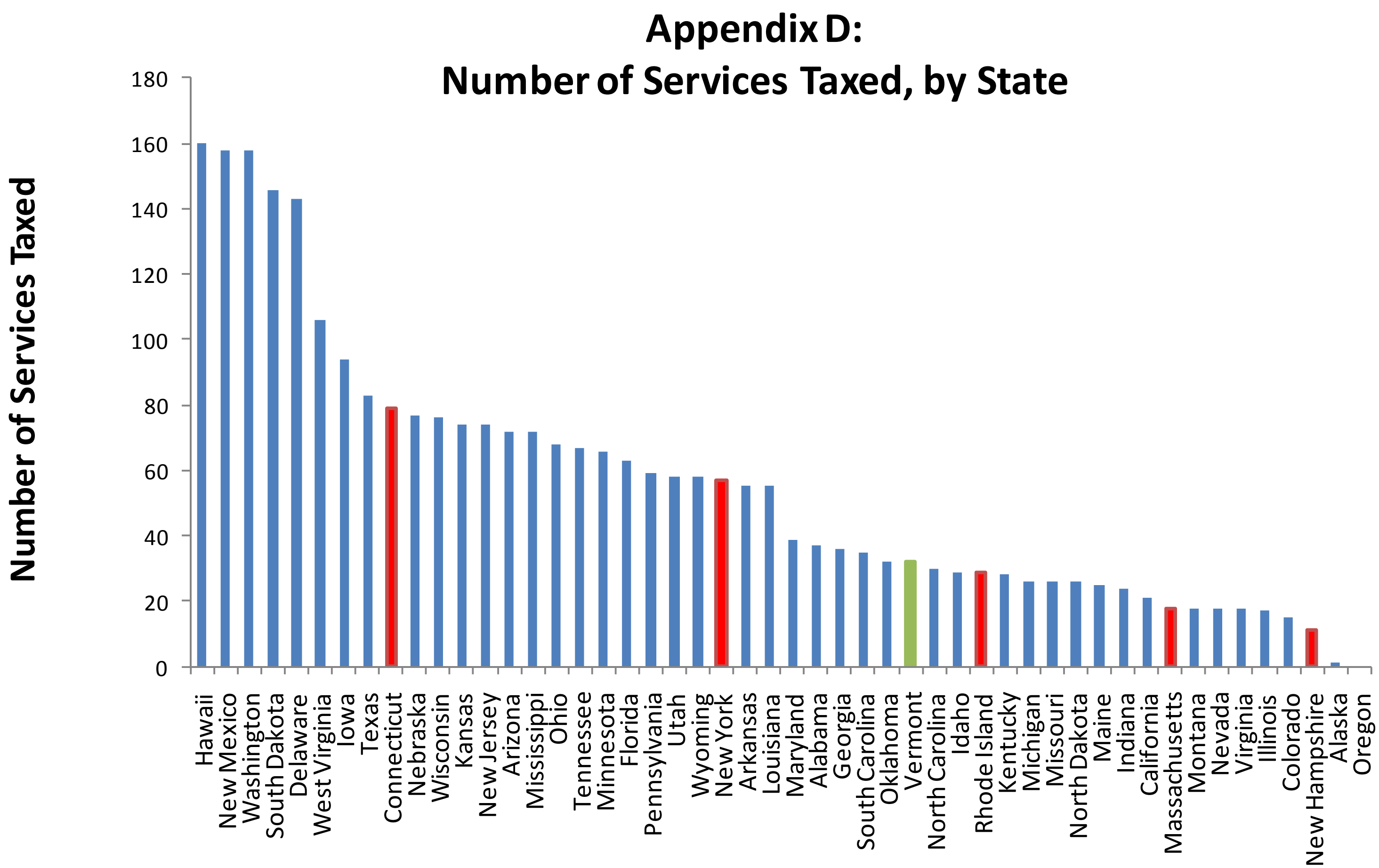
Source: Vermont Department of Taxes

Appendix C:
FY 2010 Anticipated State Revenue Collected and Foregone in Billions



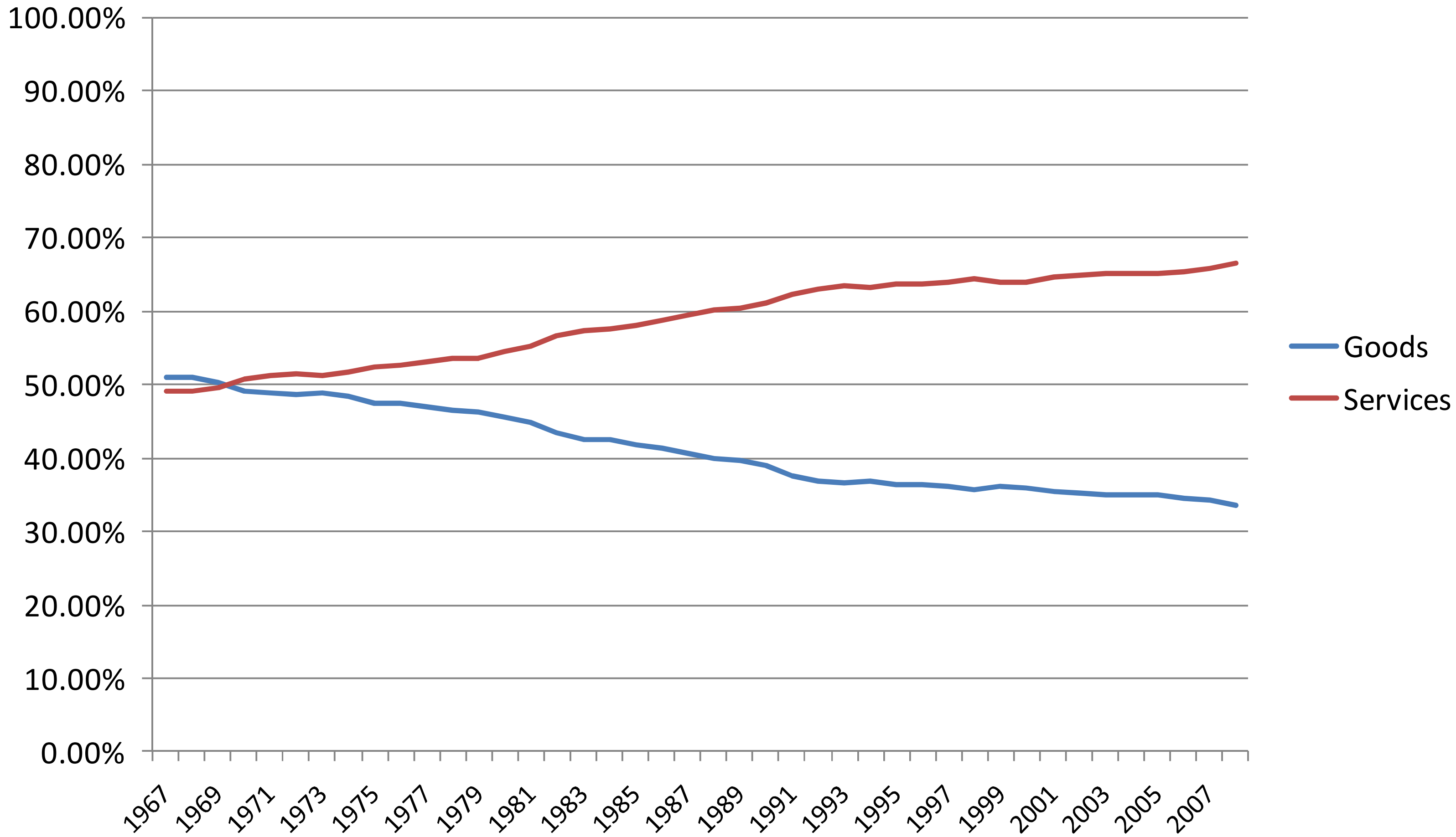
Source: Fiscal Facts 2010 and Education Fund Outlook for FY 2010

Available at www.leg.state.vt.us/jfo



Source: Federation of Tax Adminstrators

Appendix E:
Spending on Goods and Services as a % of Total Consumer Spending
1967-2008



Source: U.S. Bureau of Economic Analysis