United States Government Other Information (Unaudited) For the Years Ended September 30, 2013, and 2012

Unexpended Budget Balances

The President's budget and Federal budget process largely use obligational accounting–a distinct administrative control through which Federal agencies control, monitor, and report on the status of funds at their disposal. Unexpended budget balances consist of the unobligated and obligated, but unliquidated, budget balances.

Unobligated budget balances, including amounts for trust funds, are the cumulative amount of budget balances that are not obligated and that remain available for obligation. In 1-year accounts, the unobligated balance is not available for new obligations after the end of the fiscal year. In multiyear accounts, the unobligated balance may be carried forward and remains available for obligation for the period specified. In no-year accounts, the unobligated balance is carried forward until specifically rescinded by law or the head of the agency concerned determines that the purposes for which it was provided have been accomplished and disbursements have not been made against the appropriation for two consecutive years. The total unobligated budget balances as of September 30, 2012, and 2011, are $745.2 billion and $829.4 billion, respectively.

Obligated budget balances are the cumulative budget balances that have been obligated but not liquidated. The obligated balance can be carried forward for a maximum of 5 years after the appropriation has expired. The total obligated budget balances as of September 30, 2012, and 2011, are $1442.3 billion and $1,428.5 billion, respectively.

The President's Budget is located at www.whitehouse.gov/omb; unexpended budget balances are shown in the supporting documentation section under "Balances of Budget Authority." The President's Fiscal Year 2014 Budget (issued on April 10, 2013) includes the actual unobligated and obligated amounts for fiscal year 2012. The President's Budget with fiscal year 2013 actual amounts is expected to be published in February 2014.

Tax Burden

The Internal Revenue Code provides for progressive tax rates, whereby higher incomes are generally subject to higher tax rates. The following tables present the latest available information on income tax and related income, deductions, and credit: for individuals by income level, and for corporations by size of assets.

Individual Income Tax Liability for Tax Year 2011

Adjusted Gross Income (AGI)	Number of Taxable Returns (In thousands)	AGI (in millions of dollars)	Total Income Tax (in millions of dollars)	Average AGI Per Return (in whole dollars)	Average Income Tax per Return (in whole dollars)	Income Tax as a Percentage of AGI
Under $15,000	38,456	87,540	2,304	2,276	60	2.6%
$15,000 under $30,000	31,078	682,619	19,113	21,965	615	2.8%
$30,000 under $50,000	25,504	996,783	55,287	39,083	2,168	5.5%
$50,000 under $100,000	30,876	2,197,423	189,342	71,169	6,132	8.6%
$100,000 under $200,000	14,756	1,977,406	248,968	134,007	16,872	12.6%
$200,000 under $500,000	3,802	1,080,932	212,403	284,306	55,866	19.6%
$500,000 or more	898	1,351,440	318,094	1,504,944	354,225	23.5%
Total	145,370	8,374,143	1,045,511			

Corporation Income Tax Liability for Tax Year 2010

Total Assets (In thousands of dollars)	Income Subject to Tax (in millions of dollars)	Total Income Tax After Credits (in millions of dollars)	Percentage of Income Tax After Credits to Taxable Income
Zero Assets	15,068	4,789	31.8%
$1 under $500	6,167	1,178	19.1%
$500 under $1,000	3,231	741	22.9%
$1,000 under $5,000	10,274	2,970	28.9%
$5,000 under $10,000	6,890	2,162	31.4%
$10,000 under $25,000	10,312	3,358	32.6%
$25,000 under $50,000	9,900	3,175	32.1%
$50,000 under $100,000	12,955	4,150	32.0%
$100,000 under $250,000	23,640	7,143	30.2%
$250,000 under $500,000	29,057	8,732	30.1%
$500,000 under $2,500,000	109,072	30,770	28.2%
$2,500,000 or more	785,609	153,801	19.6%
Total	1,022,175	222,969	

Tax Gap

The tax gap is the difference between what taxpayers should pay and what they actually pay due to not filing tax returns, not paying their reported tax liability on time, or failing to report their correct tax liability. The tax gap, about $450.0 billion based on updated fiscal year 2006 estimates, represents the amount of noncompliance with the tax laws. Underreporting of income tax, employment taxes, and other taxes represents 84 percent of the gross tax gap. The IRS remains committed to finding ways to increase compliance and reduce the tax gap, while minimizing the burden on the vast majority of taxpayers who pay their taxes accurately and on time.

The tax gap is the aggregate amount of tax (i.e., excluding interest and penalties) that is imposed by the tax laws for any given tax year but is not paid voluntarily and timely. The tax gap arises from three types of noncompliance: not filing required tax returns on time or at all (the nonfiling gap), underreporting the correct amount of tax on timely filed returns (the underreporting gap), and not paying on time the full amount reported on timely filed returns (the underpayment gap). Of these three components, only the underpayment gap is observed; the nonfiling gap and the underreporting gap must be estimated. Each instance of noncompliance by a taxpayer contributes to the tax gap, whether or not the IRS detects it, and whether or not the taxpayer is even aware of the noncompliance. Obviously, some of the tax gap arises from intentional (willful) noncompliance, and some of it arises from unintentional mistakes.

The collection gap is the cumulative amount of assessed tax, penalties, and interest that has been assessed over many years, but has not been paid by a certain point in time and which the IRS expects to remain uncollectible. In essence, it represents the difference between the total balance of unpaid assessments and the net taxes receivable reported on the IRS' balance sheet. The tax gap and the collection gap are related and overlapping concepts, but they have significant differences. The collection gap is a cumulative balance sheet concept for a particular point in time, while the tax gap is like an income statement item for a single year. Moreover, the tax gap estimates include all noncompliance, while the collection gap includes only amounts that have been assessed (a small portion of all noncompliance).

Unmatched Transactions and Balances

(in millions of dollars)	Fiscal Year 2013	Fiscal Year 2012
Change in intragovernmental unmatched balances:		
Debt/investment	5.5	(0.5)
Interest payable/receivable	4.9	(6.5)
Loans payable/receivable	(9.0)	17.6
Benefit program contributions payable/receivable	(207.3)	160.8
Accounts payable/receivable	831.2	(1,267.5)
Advances from/to others & deferred credits/prepayments	506.6	97.2
Transfers payable/receivable	(178.7)	134.6
	953.2	(864.3)
Unmatched intragovernmental transactions:		
Federal securities interest revenue/expense—investment exchange	8.8	6.5
Borrowings interest revenue/expense-exchange	9.4	71.3
Borrowings gains/losses	(19.7)	9.3
Nonexpenditure transfers-in/out	123.1	35.9
Expenditure transfers-in/out	110.3	122.8
Transfers-in/out without reimbursement	(537.2)	(1,013.2)
Imputed financing source/cost	(25.7)	(17.8)
Benefit program revenue/cost	(240.1)	(725.2)
	(571.1)	(1,510.4)
General fund transactions:		
Fund balance with Treasury	(2,935.2)	5,656.4
Appropriations of unavailable special or trust fund receipts—transfers-out/in	(48.0)	(50.9)
Appropriations received/warrants issued	19,010.9	2,361.2
Other taxes and receipts/trust fund warrants	(16,672.0)	3,588.0
Custodial and non-entity collections transferred out/in	19,767.2	(54,161.4)
Other General Fund transactions	(29,326.9)	65,725.2
	(10,204.0)	23,118.5
Net intra-agency reporting errors and restatements	801.6	(568.4)
Unmatched transactions and balances, net	(9,020.3)	20,175.4

( ) Parentheses indicate a decrease to Net Position.

The Statement of Operations and Changes in Net Position includes an amount for unmatched transactions and balances that result from the consolidation of Federal reporting entities. Transactions between Federal entities must be eliminated in consolidation to calculate the financial position of the Government. Many of the amounts included in the table represent intragovernmental activity and balances that differed between Federal agency trading partners and often totaled significantly more in the absolute than the net amounts shown. In addition, included in the “General Fund Transactions” section are certain intragovernmental accounts, primarily related to agency unreconciled transactions with the General Fund. The table also reflects other consolidating adjustments and other adjustments that contributed to the unmatched transactions and balances amount.

Unmatched transactions and balances between Federal entities impact not only in the period in which differences originate but also in the periods where differences are reconciled. As a result, it would not be proper to conclude that increases or decreases in the unmatched amounts shown in the “Unmatched Transactions and Balances” table reflect improvements or deteriorations in the Government’s ability to reconcile intragovernmental transactions. The Federal community considers the identification and accurate reporting of intragovernmental activity a priority.

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