Government Revenue Sources- Where the Government gets its money

Federal Government

* Individual Income taxes
* FICA
* Borrowing
* Corporate Income Taxes
* Excise taxes
* Estate and Gift Taxes
* Customs duties
* Miscellaneous fees

State Governments

* Intergovernmental revenue
* Sales taxes
* Individual income taxes
* Tuition and fees from colleges and universities
* Corporate income taxes
* Hospital fees
* Other

Local Governments

* Intergovernmental revenue
* Property taxes
* Public utilities
* Sales taxes
* Individual income taxes
* Hospital fees
* Other

Ch. 10

* Gramm-Rudman-Hollings (GRH) was intended to establish a balanced budget
  + Failed Because:
    - Congress figured out a way around it
    - Economy started to decline so they suspended it
* 1990- Congress passes Budget Enforcement Act (BEA)
  + Main feature is pay-as-you-go
  + If you spend more money on one thing, you need to take money from somewhere else so that the budget stays balanced
* The largest category of spending for most **local** governments is elementary and secondary education
* The largest category of spending for most **state** governments is intergovernmental expenditures
* Federal State and Local governments are responsible for 1/3 of the nation’s output (goods and services)
* Discretionary Spending= Spending that must be approved by Congress in the annual budgetary process. Typically has to do with Defense expenditures (spending)
* Approval of Federal Budget: President to Congress—Congress changes it as they see fit—sends back to President for signing

**Fed Goals - Macroeconomic Goals-**

* Economic Growth
* Low Inflation
* Low Unemployment

**Role of the Government**

* **Protector**- make sure products are not harmful and are as described
* **Provider**- Provide goods and services (ex. Welfare, military protection)
* **Regulator**- Make sure everyone is able to make money and deal with foreign trade