Secretary FOWLER. As I said, our current estimate for the fiscal year 1968 receipts is $122.5 billion assuming a 10-percent income tax surcharge effective July 1, 1967, for corporations and October 1 for individuals. This current estimate is $4.4 billion below the January budget estimate of $126.9 billion, which assumed a 6-percent surcharge effective July 1 for both corporations and individuals and a reconciliation of these two estimates using the figures consistent with the estimates given in the President's tax message will follow: First, on individual income tax the January estimate, which is contained in the budget on page 58 of the January budget book, was $73.2 billion. Revisions have been made in that estimate because of (*a*) a reduction in the marginal rate because of calendar 1966 experience amounting to $3 billion.

Since that is a sizable item I know you will want me to detail the reasons for it.

The CHAIRMAN. That would be $3 billion off of the $73.2 billion?

Secretary FOWLER. That is right. The marginal rate experience of calendar 1966, in our judgment, now justifies a recalculation of the yield.

The current estimate of personal income assuming the January budget expenditure level for the period affecting the fiscal 1968 receipts is approximately $2 billion less than the January estimate.

The CHAIRMAN. What does that make it now? $71.2 billion or $70.2 billion?

Mr. SCHNEEBELI. $70.5 billion.

The CHAIRMAN. What I am trying to get to, Mr. Secretary, is what is your estimate now compared to your $73.2 billion of revenue from individuals.

Secretary FOWLER. There are five factors and I come out with a $70.5 billion figure, which is the figure contained in the attachment to the statement.

The CHAIRMAN. $70.5 billion. Oh, yes, I'm sorry I interrupted you.

Secretary FOWLER. $70.5 billion. Now, first you deduct from the $73.2 billion the $3 billion which is a reduction in the marginal rate because of the calendar 1966 experience.

The CHAIRMAN. Mr. Secretary, that $70.5 billion includes, does it not, the enactment of the 10-percent surcharge effective October?

Secretary FOWLER. Yes, sir.

The CHAIRMAN. What are your estimates now of individual taxes to be paid in this fiscal year without considering a tax increase?

Secretary FOWLER. I would have to supply that for you.

(The following table was received by the committee:)

Estimated net administrative budget receipts, present law, in the fiscal year 1968

	Billions
Individual income taxes	$67.0
Corporation income taxes	30.3
Excise taxes	9.3
Estate and gift taxes	3.0
Customs	2.0
Miscellaneous receipts	5.3
Net budget receipts, present law	116.9
Effect of proposed legislation other than tax program	—.5
Net administrative budget receipts with no tax action	116.4