

istrative procedures on depreciation, you would find that as of today, there has been a \$22.5 billion tax reduction as a consequence of those actions.

Now for fiscal 1967 and fiscal 1968, taking into account the proposals that have been made, we would take away some of that tax reduction—certainly not more than 25 percent although the estimates would indicate that it is much less than that.

Even taking into account the surcharge proposals, in calendar 1968, tax liabilities would be roughly \$20 billion less than they would have been had it not been for the tax actions taken to that date.

The rates, Congressman Moorhead, will be well below the pre-1964 rates. We could put in a table for the record to indicate to what degree they will be lower than the pre-1964 rates.

Representative MOORHEAD. I think that would be helpful.

Thank you, Mr. Chairman.

(The following table was later supplied for the record:)

Estimated effect on fiscal year receipts (administrative budget) of tax changes since 1962

[In billions of dollars]

	Fiscal years					
	1963	1964	1965	1966	1967	1968
Revenue Act of 1962:						
Investment tax credit.....	-1.1	-1.4	-1.6	-1.9	¹ -2.1	¹ -1.3
Other provisions.....		+ .8	+ .8	+ .8	+ .8	+ .8
Depreciation guidelines of 1962.....	-1.3	-1.4	-1.5	-1.6	-1.7	-1.8
Revenue Act of 1964:						
Individuals.....		-2.4	-8.7	-12.4	-14.1	-15.5
Corporations.....			-1.5	-2.9	-3.2	-3.2
Acceleration of corporate payments.....		+ .3	+1.0	+2.0	+2.0	+2.2
Revenue Act of 1965: Excise reduction.....				-2.2	-3.7	-4.1
Tax Adjustment Act of 1966:						
Graduated withholding and increase declaration 70 to 80 percent.....				+ .1	+ .4	- .2
Acceleration of corporate payments.....				+1.0	+3.0	-1.3
Excise tax increases.....				+ .1	+1.2	+1.5
Total, enacted to date.....	-2.4	-4.1	-11.5	-17.0	-17.4	-22.9
Proposed legislation:						
Individual.....						+3.4
Corporation.....					+ .2	+2.1
Excises.....						- .4
Total, enacted and proposed.....	-2.4	-4.1	-11.5	-17.0	-17.2	-17.8

¹ Including effect of Investment Credit Suspension Act of 1966.

NOTE: This table is presented only for historical background. Although figures for any one year are believed to be reasonably accurate approximations, with possibility of duplication, they cannot be used for estimates of year-to-year changes.

Source: Office of the Secretary of the Treasury, Office of Tax Analysis, Feb. 3, 1967.

Chairman PROXMIRE. Congressman Brock?

Representative BROCK. Thank you, Mr. Chairman.

I just have one comment, Mr. Secretary. I have enjoyed your presentation, the part in which I participated, but I would like to say when you have a cumulative figure on the errors made, that really does not affect the future actions we take in any given year. We have to make a study of that specific year.

Secretary FOWLER. That is correct.

Representative BROCK. And the impact that that revenue collection and spending will have on the economy.