

TABLE 5—COMMERCE AND TRANSPORTATION

Tax Expenditures, 1968	
[In millions of dollars]	
Investment credit.....	2,300
Excess depreciation on buildings.....	500
Dividend exclusion.....	225
Capital gains: Corporations (other than agricultural and natural resources).....	500
Excess bad debt reserves of financial institutions.....	600
Exemption of credit unions.....	40
Deductibility of interest on consumer credit.....	1,300
Expensing of research and development expenditures.....	500
\$25,000 surtax exemption.....	1,800
Deferral of tax on shipping companies.....	10
Total.....	17,775

Budget Outlays Plus Tax Expenditures
[In billions of dollars]

	1968	1969	1970
Budget outlays:			
Expenditures.....	7.8	8.1	8.9
Net lending.....	.2	(²)	.1
Total.....	8.0	8.1	9.0
Tax expenditures.....	7.8	9.2	9.7
Total budget outlays plus tax expenditures.....	15.8	17.3	18.7
Tax expenditures as percent of budget outlays.....	98	114	108

¹ The revenue cost for 1968 under this category differs from that in exhibit 29 of the Secretary's annual report due to the exclusion of capital gains—individual and its presentation as a separate item in this revised analysis.

² Less than \$50,000,000.

Community Development and Housing

Owner-occupants of homes may deduct mortgage interest and property taxes (but not maintenance outlays or depreciation) as itemized nonbusiness deductions. The owners of rental housing may claim in early years depreciation in excess of straight-line depreciation. (See Table 5.)

TABLE 6.—COMMUNITY DEVELOPMENT AND HOUSING

Tax Expenditures, 1968	
[In millions of dollars]	
Owner-occupied homes, deductibility of:	
Interest on mortgages.....	1,900
Property taxes.....	1,800
Rental housing, excess depreciation.....	250
Total.....	3,950

Budget Outlays Plus Tax Expenditures
[In billions of dollars]

	1968	1969	1970
Budget outlays:			
Expenditures.....	1.0	1.3	2.6
Net lending.....	3.1	1.0	.2
Total.....	4.1	2.3	2.8
Tax expenditures.....	4.0	4.7	5.2
Total budget outlays plus tax expenditures.....	8.1	7.0	8.0
Tax expenditures as percent of budget outlays.....	98	204	186