TABLE 7.—HEALTH AND WELFARE

Tax Expenditures, 1968

[In millions of dollars]

Aged, blind, and disabled:	
Additional exemption, retirement income credit and exclusion of OASDHI for aged	2,300
Additional exemption for blind	10
Exclusion for sick pay	85
Exclusion of unemployment insurance benefits	300
Exclusion of unemployment insurance benefits	300
Exclusion of workmen's compensation benefits	150
Exclusion of public assistance benefits	50
Exclusion for employee pensions	3,000
Deduction for self-employed retirement	60
Exclusion of other employee benefits:	
Premiums on group term life insurance	400
Accident and death benefits	25
Medical insurance premiums and medical care	1,100
Privately financed supplementary unemployment benefits	25
Meals and lodging	150
Exclusion of interest on life insurance savings	900
Deductibility by individuals of charitable contributions (other than education) including untaxed appreciation	2,200
Deductibility of medical expenses	1,500
Deductibility of child and dependent care expenses	25
Deductibility of casualty losses	70
Standard deduction	[1] 3,200
Total	15,550

Budget Outlays Plus Tax Expenditures

[In billions of dollars]

	1968	1969	1970
Budget outlays:			
Expenditures	43.4	49.5	55.0
Net lending	.1	−.6	(2)
Total	43.5	48.9	55.0
Tax expenditures	15.6	18.0	19.5
Total budget outlays plus tax expenditures	59.1	66.9	74.5
Tax expenditures as percent of budget outlays	36	37	36

[1] In the absence of the 10 percent standard deduction and most itemized nonbusiness deductions, the minimum standard deduction as presently structured would be taken by all taxpayers and its revenue cost would be relatively large. Under present treatment, the minimum standard deduction, in keeping with its objectives, is claimed almost entirely by low-income taxpayers and its revenue cost is $300,000,000. The revenue estimate assumes the minimum standard deduction is designed to assist only low-income taxpayers. The minimum standard deduction is regarded in this analysis as related to the system of personal exemptions and thus a part of the structure of an income tax system based on ability to pay, rather than as a tax expenditure.

[2] Less than $50,000,000.

Education and Manpower

Additional personal exemption for students.—Taxpayers may claim personal exemptions for dependent children over 18 who receive $600 or more of income per year only if they are full-time students. The student may also claim an exemption on his own tax return, in effect providing a double exemption, one on the parents' tax return and one on the student's.

Deductibility of contributions to educational institutions.—Contributions to nonprofit educational institutions are allowed as an itemized nonbusiness deduction for individuals.

Exclusion of scholarships and fellowships.—Recipients of scholarships and fellowships may exclude such amounts from taxable income, subject to certain limitations.