

TABLE 8.—EDUCATION AND MANPOWER

Tax expenditures			
[In millions of dollars]			
Additional personal exemption for students.....			500
Deductibility of contributions by individuals to educational institutions.....			170
Exclusion of scholarships and fellowships.....			50
Total.....			720
Budget outlays plus tax expenditures			
[In billions of dollars]			
	1968	1969	1970
Budget outlays:			
Expenditures.....	6.6	6.9	7.6
Net lending.....	.4	.3	.3
Total.....	7.0	7.2	7.9
Tax expenditures.....	.7	.8	.9
Total budget outlays plus tax expenditures.....	7.7	8.0	8.8
Tax expenditures as percent of budget outlays.....	10	11	11

Veterans Benefits and Services

All veterans pensions due to disability and those paid by the Veterans Administration due to age (over 65) are excluded from taxable income.

TABLE 9.—VETERANS BENEFITS AND SERVICES

Tax expenditures, 1968			
[In millions of dollars]			
Exclusion of certain benefits.....			550
Budget outlays plus tax expenditures			
[In billions of dollars]			
	1968	1969	1970
Budget outlays:			
Expenditures.....	6.7	7.4	7.8
Net lending.....	.1	.3	(1) ¹
Total.....	6.8	7.7	7.8
Tax expenditures.....	.6	.6	.7
Total budget outlays plus tax expenditures.....	7.4	8.3	8.5
Tax expenditures as percent of budget outlays.....	9	8	9

¹ Less than \$50,000,000.

Aid to State and Local Government Financing

The Federal Government through certain tax provisions provides indirect assistance to State and local governments. The deductibility of property taxes on owner-occupied homes involving a revenue cost of \$1.8 billion is listed above under community development and housing as an element of the tax system which provides support to promote housing. This deduction also aids States and, particularly, local governments, by providing more flexibility in financing their expenditure programs.

Two other special tax provisions also aid State and local governments, but unlike the deductibility of property taxes on homes, they do not fit clearly within any of the functional categories now used in the budget. They are, therefore, shown as a separate budgetary heading, aid to State and local government financing.