

[Dollars in billions]

	Increase in receipts		Change	
	Fiscal year 1969	Fiscal year 1970	1969 and 1968	1970 over 1969
Other than employment taxes:				
Surcharge (enacted and proposed):				
Individual.....	+8.4	+8.0	+8.4	0.4
Corporation.....	+4.3	+3.3	+4.3	-1.0
Total.....	+12.7	+11.3	+12.7	-1.4
Acceleration of corporation payments (1968 act).....	+1.0	+0.3	+1.0	-0.7
Total.....	+13.7	+11.6	+13.7	-2.1
Excise taxes.....	+0.2		+0.2	-0.2
Total, 1968 act.....	+13.9	+11.6	+13.9	-2.3
Other proposed:				
Quarterly payments of unemployment taxes.....		+0.3		+0.3
User charges.....		+0.4		+0.4
Miscellaneous (legislation prior to 1968 and change in payments patterns).....			+0.6	-0.2
Total other than economic growth.....			+14.5	-1.7
Economic growth.....			+12.3	+9.2
Total other than employment taxes.....			+26.8	+7.5
Employment taxes.....			+5.6	+5.1
Total receipts, unified budget.....			+32.4	+12.6

Most of the increase in tax receipts due to economic growth is due to increases in income taxes, individual and corporate. The increase in individual income tax receipts in fiscal 1969 is \$7.3 billion. This is 12.8 percent of the increase in personal income, calendar 1968 over 1967, of \$57.0 billion. The gain in individual income tax receipts drops to \$6.4 billion in 1970 because the increase in personal income projected for calendar 1969 falls to \$50.2 billion. The receipts gain is 12.7 percent of the income gain, almost exactly the same as estimated for fiscal 1969.

Corporation income tax receipts in a given fiscal year reflect, for the most part, the profits of the calendar year ending in the fiscal year. A significant amount, however, arises from the first two payments of estimated tax for the current year. Thus, receipts in the fiscal 1969 depend primarily on profit levels for calendar 1968 and to some extent on profits for calendar 1969. Receipts in fiscal 1970 are derived mostly from calendar 1969 but also from calendar 1970 profits.

Corporation profits before tax are estimated at \$92.3 billion for calendar 1968. The gain over 1967 is \$10.7 billion. Corporation tax receipts in fiscal 1969 reflect the large increase in profits. The increase in receipts due to economic growth is \$3.7 billion. Profits projected for calendar 1969 are \$96.0 billion, an increase of \$3.7 billion. Primarily as a result of this much smaller increase in profits, the increase in corporation income tax receipts in fiscal 1970 falls to \$1.8 billion.

The two income taxes produce \$11.0 billion of the \$12.3 billion increase in fiscal 1969 receipts due to economic growth (excluding employment taxes) and \$8.2 billion of the \$9.2 billion increase in fiscal 1970. Other revenue sources produce \$1.3 billion in receipts due to economic growth in 1969 and \$1.0 billion in 1970. The difference of \$0.3 billion is attributable to customs. Imports are not expected to show as sharp an increase in 1970 as in 1969 and further steps in the Kennedy Round duties reductions will limit customs receipts.

Chairman PATMAN. Now, we often talk about, before the Joint Economic Committee and Banking and Currency and other related committees, the great financial institutions like the commercial banks, State banks, national banks, Federal Reserve System, and savings and loan associations, but you seldom mention one great financial institution that has been growing by leaps and bounds in this country the last few years. Today we have over 20 million members of credit unions in the United States. The major States have more than 1