WHERE DO YOUR TAX DOLLARS GO?

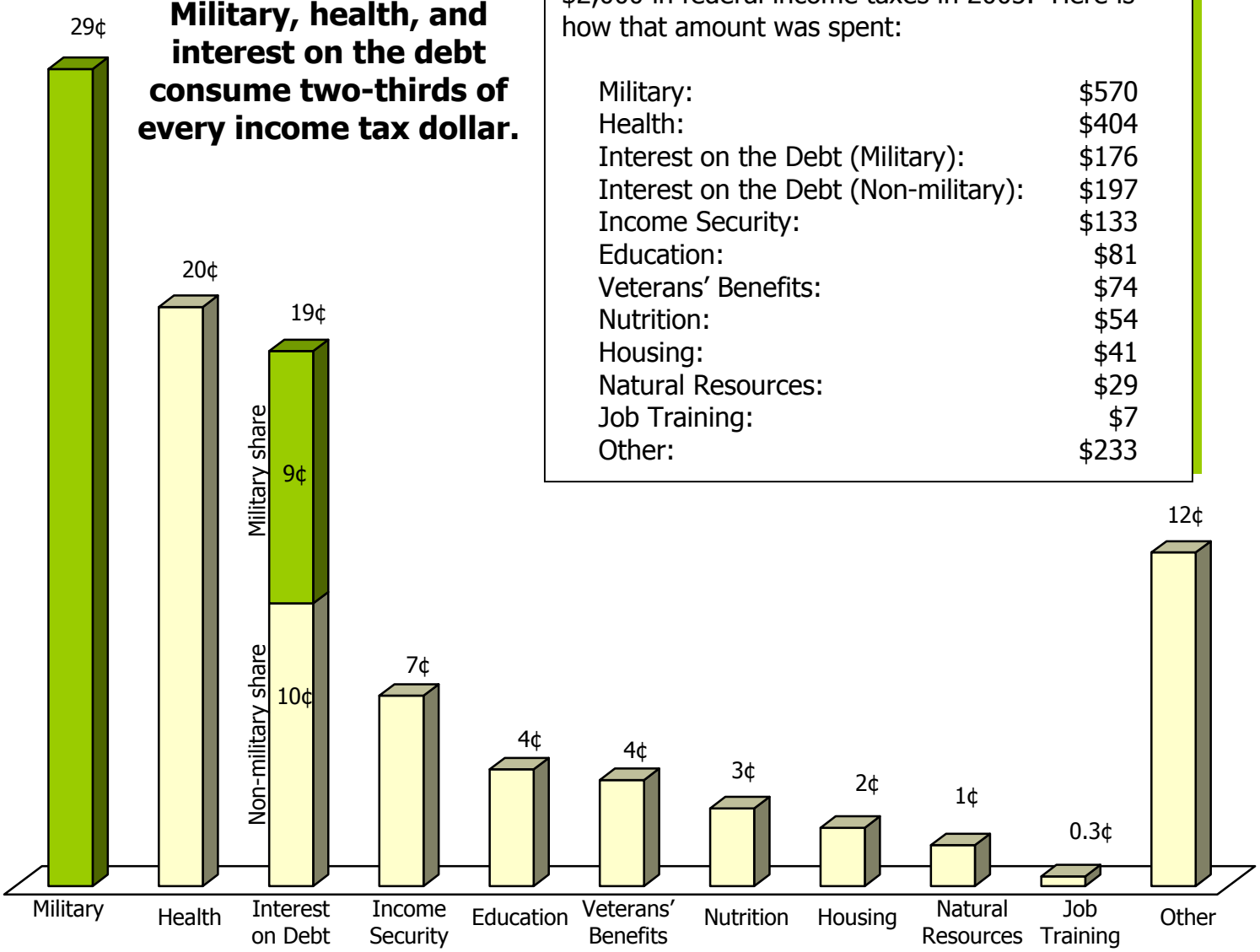
ATLANTA, GEORGIA

April 2006

Military, health, and interest on the debt consume two-thirds of every income tax dollar.

The median income family in Atlanta, Georgia paid $2,000 in federal income taxes in 2005. Here is how that amount was spent:

Military:	$570
Health:	$404
Interest on the Debt (Military):	$176
Interest on the Debt (Non-military):	$197
Income Security:	$133
Education:	$81
Veterans' Benefits:	$74
Nutrition:	$54
Housing:	$41
Natural Resources:	$29
Job Training:	$7
Other:	$233



Notes: The breakdown of the income tax dollar is based on an analysis of each agency's Federal funds outlays according to function and sub-function (category) for fiscal year 2005. Agency budgets can be found in OMB, *Budget of the U.S. Government, FY2007, Analytical Perspectives*. Numbers may not add up due to rounding. *Military* includes the government definition of national defense, international security assistance and Iraq-related spending in the Executive Office of the President. *Income security* includes Supplemental Security Income (aimed at elderly, disabled and blind with low income), tax credit programs, TANF, child care spending and other programs aimed at families. *Other* includes the following function and sub-function areas: general science, space and technology, international affairs other than military assistance, energy, agriculture, commerce and housing credit, transportation, community and regional development, labor and social services other than job training, justice, general government, and undistributed offsetting receipts. For more information on the analysis, go to *Where do Your Tax Dollars Go? Notes and Sources* available at www.nationalpriorities.org/taxday06sources.

National Priorities Project ♦ 17 New South Street, Suite 302 ♦ Northampton, MA 01060
www.nationalpriorities.org ♦ info@nationalpriorities.org ♦ 413.584.9556

© 2006 National Priorities Project, Inc.

Your Income Tax Dollar Over Time:

Military, health, education up since 2000

- Since 2000, military spending has increased as a portion of the income tax dollar by 20%, climbing from 24¢ to 29¢. This rise is due to the nearly 70% increase in military outlays.

- Escalating medical costs are reflected in the share of health spending: up from 17¢ to 20¢ of the income tax dollar. Over the same time period, the number of uninsured has grown by more than 6 million, from 14% to 16% of Americans.

The Change in Breakdown between 2000 and 2005*

Category	Share in 2000	Share in 2005	Change in Share
Military	23.9¢	28.5¢	20%
Health	17.3¢	20.2¢	17%
Interest on the Debt	26.6¢	18.7¢	-30%
Income Security	6.2¢	6.6¢	7%
Education	2.7¢	4.1¢	50%
Veterans' Benefits	3.8¢	3.7¢	-2%
Nutrition	2.5¢	2.7¢	11%
Housing	2.2¢	2.0¢	-7%
Environment	1.7¢	1.4¢	-18%
Job Training	0.4¢	0.3¢	-21%
Other	12.7¢	11.6¢	-8%

- Interest payments on the debt today comprise nearly 19 cents out of every income tax dollar, down from 27¢ in 2000. This drop results from the combination of low interest rates and overall growth in spending. Now that interest rates are increasing, the coming years will see an increase in interest payments, especially given the large deficits of recent years.

- Education saw the largest increase in share of the income tax dollar between 2000 and 2006.** In 2000, education made up less than 3 cents of every dollar; in 2005, it made up 4 cents. The rise in education spending is primarily due to the No Child Left Behind Act, though the Act itself remains significantly underfunded.

- Spending on veterans' benefits, housing assistance, the environment and job training have all fallen as a share of the income tax dollar.

Notes: *The breakdown for fiscal year 2000 is as described on the opposite page but uses actual outlays for 2000 as shown in OMB, *Budget of the U.S. Government, FY2002, Analytical Perspectives*. **Of the categories presented in the table above. Within the *other* category, two items have increased more than education: *transportation* due to the large increase in security measures, and *community and regional development* solely due to the impact of Hurricane Katrina and Rita in 2005.

National Priorities Project ♦ 17 New South Street, Suite 302 ♦ Northampton, MA 01060
www.nationalpriorities.org ♦ info@nationalpriorities.org ♦ 413.584.9556

© 2006 National Priorities Project, Inc.