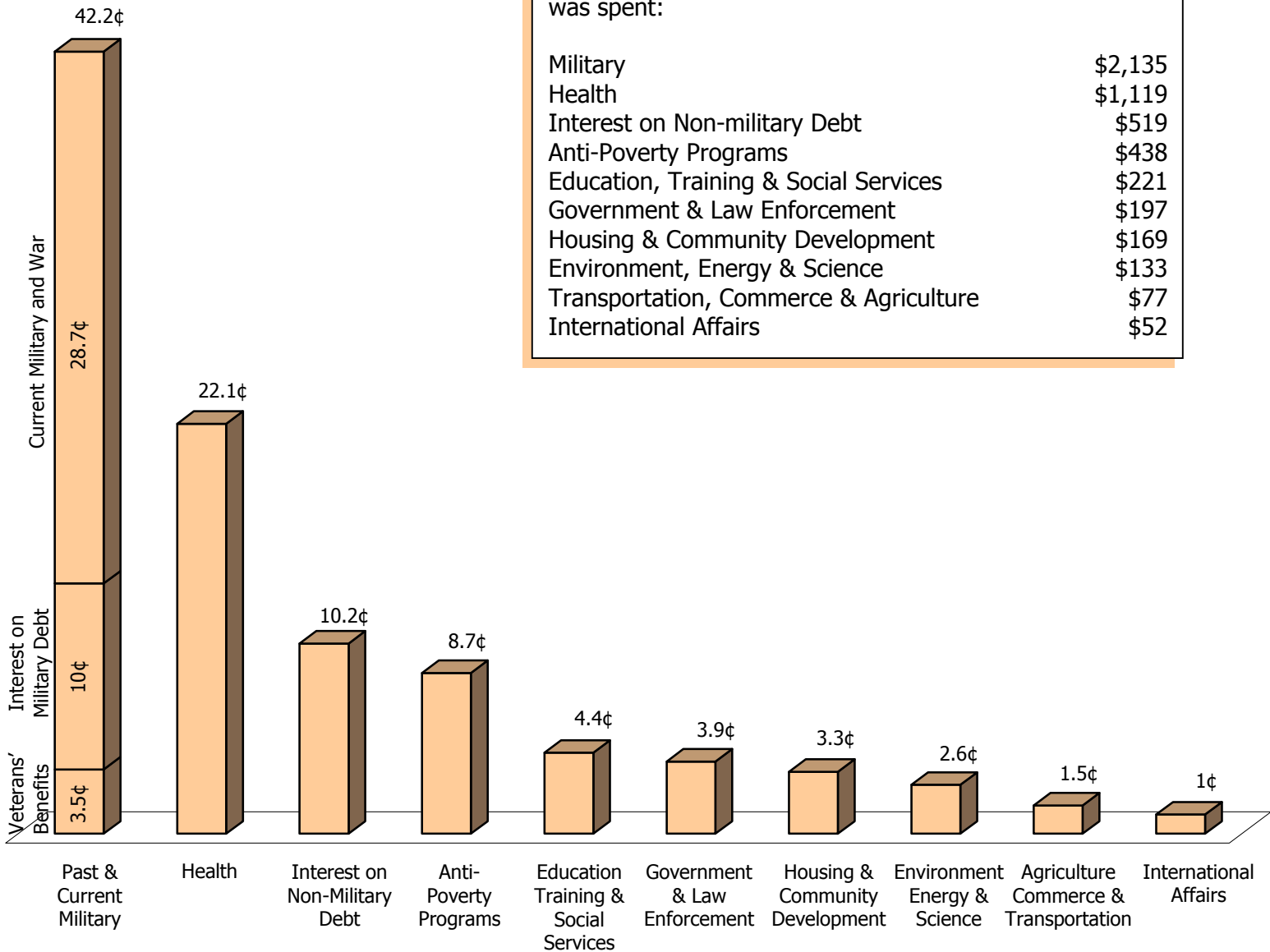




WHERE DO YOUR TAX DOLLARS GO? MASSACHUSETTS

April 2008

Past and current military spending consumes more than 40 cents of every federal income tax dollar.



The median income family in Massachusetts paid \$5,060 in federal income taxes in 2007. Here is how that money was spent:

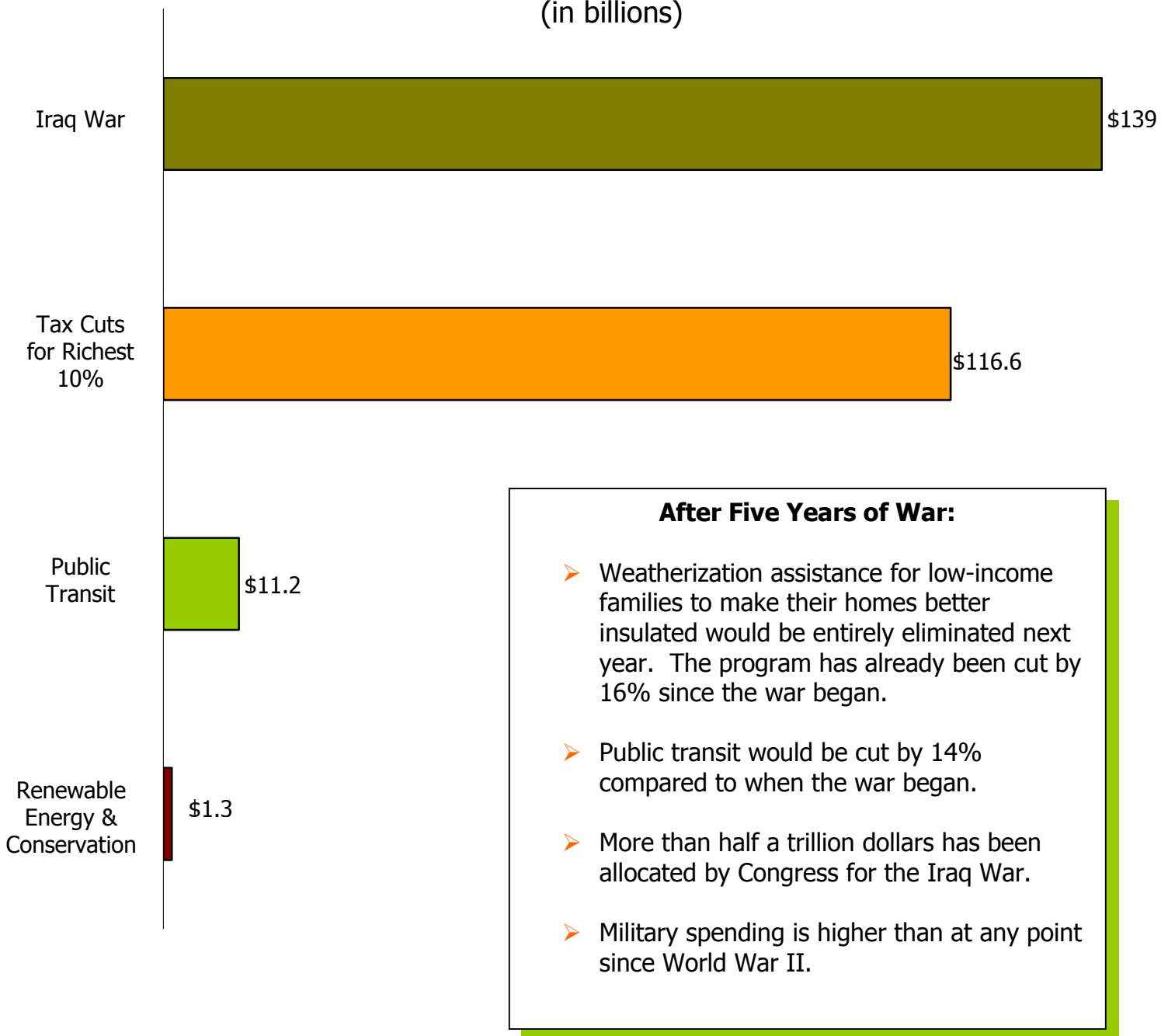
| | |
|--|---------|
| Military | \$2,135 |
| Health | \$1,119 |
| Interest on Non-military Debt | \$519 |
| Anti-Poverty Programs | \$438 |
| Education, Training & Social Services | \$221 |
| Government & Law Enforcement | \$197 |
| Housing & Community Development | \$169 |
| Environment, Energy & Science | \$133 |
| Transportation, Commerce & Agriculture | \$77 |
| International Affairs | \$52 |

Notes: The breakdown of the federal income tax dollar is based on an analysis of each agency's federal fund outlays according to function and sub-function (category) for fiscal year 2007. Agency budgets are from the OMB, *Budget of the U.S. Government, FY2009, Analytical Perspectives*. Numbers may not add up due to rounding. Military includes the government category of 'national defense,' international security assistance, the Coast Guard, Andean Counterdrug Programs and International Narcotics Control, veterans benefits, and the military share of interest payments. Anti-poverty programs include Supplemental Security Income (aimed at elderly, blind and disabled low-income), tax credit programs, TANF, child care spending, nutrition programs and other programs aimed at families. Government and law-enforcement includes the function areas of general government, justice, the administration of Social Security and undistributed offsetting receipts.

Proposed Federal Spending and Tax Cuts in FY2009

More for War and Tax Cuts Less Investment in a Sustainable America

(in billions)



Notes: Projected Iraq War cost for FY2009 is based on testimony by Secretary of Defense Robert Gates before the Senate Armed Forces Committee on February 6, 2008. The tax cut for the richest 10% is for the calendar year (not fiscal year) and is based on Table TO6-0282 from the Tax Policy Center. The richest 10% are tax filers with cash incomes of at least \$137,004 in 2009. Proposed federal spending on public transit includes the Federal Transit Administration and the Federal Railroad Administration as presented in the Department of Transportation budget materials for FY2009. Proposed federal spending on renewable energy and conservation is based on the Department of Energy budget materials for FY2009.

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