

Appendix table 4-35

Budgetary impact of the Federal research and experimentation tax credit: FY 1981–2000

(Millions of dollars)

Year	Outlay equivalent cost of credit (current dollars)	Total Federal R&D outlays (current dollars)	Ratio of credit outlays/R&D outlays (percent)	Outlay equivalent cost of credit (constant 1996 dollars) ^a
1981	205	34,168	0.6	334
1982	640	34,660	1.8	974
1983	1,010	35,900	2.8	1,472
1984	3,360	40,986	8.2	4,723
1985	2,430	47,216	5.1	3,307
1986	2,295	52,141	4.4	3,049
1987	2,715	53,256	5.1	3,511
1988	1,240	56,100	2.2	1,553
1989	1,590	60,760	2.6	1,917
1990	1,625	63,810	2.5	1,888
1991	1,070	62,183	1.7	1,197
1992	1,850	64,728	2.9	2,017
1993	1,900	68,378	2.8	2,023
1994	2,110	66,453	3.2	2,199
1995	1,820	68,432	2.7	1,856
1996	1,245	68,439	1.8	1,245
1997	1,360	71,073	1.9	1,334
1998	3,270	72,803	4.5	3,163
1999	2,625	74,136	3.5	2,504
2000	2,510	73,947	3.4	2,349

^aFigures in constant dollars were obtained using FY gross domestic product implicit price deflators (1996 = 100). See appendix table 4-1.

NOTES: Outlay equivalent estimates are comparable to taxable outlay figures reported in the budget. This allows for a comparison of resource cost of the tax credit with cost of direct Federal R&D expenditure support. Tax expenditure estimates are prepared by the U.S. Treasury Department, based on income tax law enacted as of December 31 of the year for which expenditures are reported.

SOURCES: U.S. Office of Management and Budget, *Analytical Perspectives, Budget of the United States Government* (Washington, DC, annual series) and U.S. Office of Management and Budget, *Historical Tables, Budget of the United States Government, Fiscal Year 2004* (Washington, DC, 2003).