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Federal Budget Revenue Loss Estimates Due to Employee Benefits

EBRI has updated Table 5.3a-e (Revenue Loss Estimates beginning on page 11 in the pdf) in [Chapter 5 Government Mandated Employment-Based and Needs-Based Programs](#) of the EBRI Databook on Employee Benefits. Data is presented for 1975 through 2009. A spread sheet is available at the bottom of Table 5.3e which contains the data in Tables 5.3a-e adjusted to 2008 dollars. The chapter also contains data on participation (Tables 5.1a-e) and expenditures (Tables 5.2a-e) in government mandated employment-based and needs-based programs.

The federal government supports the provision of employee benefits through preferential tax treatment in the Internal Revenue Code. The Congressional Budget Act of 1974 (P.L. 93-344) requires that a list of "tax expenditures" (federal tax revenue forgone due to preferential provisions) be included in the budget.

The source of the 2009 data is [Analytical Perspectives: Budget of the United States Government: Fiscal Year 2010](#). It is a rather large document. You will want to go to Section 19 – Tax Expenditures beginning on page 297. The data table you will want is Table 19.1 Estimates of Total Income Tax Expenditures for Fiscal Years 2008-2014 on pages 299-302. Past years data were obtained from past budget documents through the [Office of Management and Budget's web site](#) and the Department of Labor's library.

Tax treatment of employment-based health insurance is a topic being discussed in the current debate on health care reform. See EBRI's [September 2007 Issue Brief](#), "Health Insurance and Taxes: Can Changing the Tax Treatment of Health Insurance Fix Our Health Care System?" and EBRI's [January 2009 Issue Brief](#), "Capping the Tax Exclusion for Employment-Based Health Coverage: Implications for Workers and Employers". Also EBRI's upcoming June 2009 Issue Brief "Addressing Health Care Market Reform through an Insurance Exchange: Essential Policy Components, the Public Plan Option, and Other Issues to Consider" will be on health reform initiatives.