

17. NATIONAL INCOME AND PRODUCT ACCOUNTS

The National Income and Product Accounts (NIPAs) are an integrated set of measures of aggregate U.S. economic activity that are prepared by the Department of Commerce. One of the many purposes of the NIPAs is to measure the Nation's total current production of goods and services, known as gross domestic product (GDP), and the incomes generated in its production. Because the NIPAs are widely used in economic analysis, it is important to show the NIPA presentation of Federal transactions, which differ somewhat from the basis used for other budget presentations. This section normally shows the NIPA presentation of Federal transactions, but due to disruptions associated with the partial shut-down of Government operations resulting from the budget impasse, it is not included in the budget this year. The Department of Commerce plans to publish the presentation in a forthcoming issue of its *Survey of Current Business*, and the presentation should be restored in next year's budget.

The Department of Commerce undertook a comprehensive revision of the NIPAs during the past year. The first stage in the release of the revisions was delayed by the partial Government shut-down. Because of that delay, and because historical NIPA data have to date only been revised for the period since 1958, the *Historical Tables* volume for this budget continues to use GDP and other NIPA data on the pre-revision basis, although GDP on the post-revision basis is shown in Chapter 1 of this volume. The primary change made in the comprehensive revisions was to recognize government expenditures for capital equipment and structures as investment. This entailed replacing government expenditures for equipment and structures with depreciation charges on past investments in computing the surplus or deficit of the government sector (State and local as well as Federal). This change in the NIPA presentation of government transactions is discussed in Chapter 6 of this volume, "Federal Investment Spending and Capital Budgeting."