The most troubling news is that the Federal Government has run up a $3.1 trillion in excess tax collections over the next 10 years. These excess collections are projected at the time when overall Federal tax receipts are at one of the highest levels in the history of the country. You will see from the charts that, even worse, individual income tax collections are higher than some levels imposed during World War II.

I have a series of charts to illustrate our present situation. The first chart I have shows total Federal tax receipts as a percentage of gross domestic product for the last 40 years. As you can see from this chart, tax receipts have fluctuated frequently since 1960. But they have escalated very significantly since 1993. The increase in receipts from 1992 to 1995 was attributable to the Vietnam conflict. The runup in receipts from 1976 to 1981 was caused by bracket creep, which occurs when inflation causes wages to increase, forcing people into higher rate brackets. We corrected the problem of bracket creep in inflation years in 1993.

However, the most shocking spike in tax receipts began, as you can see, in 1993. The Congressional Budget Office’s January 2001 report to Congress shows that, in 1992, total tax receipts were around 17.2 percent of GDP. However, since that time, Federal receipts have spiked upward very rapidly. By the year 2000, Federal tax receipts had exploded to an astronomical 20.6 percent of GDP. The significance of this percentage can only be appreciated in a historical context.

In 1944, which was at the height of the buildup during World War II, taxes as a percentage of gross domestic product were 20.9 percent, only one-half percent higher than they are this very year. The level then topped to 20.4 percent of GDP, which is lower than the collection level this very day.

It is simply unbelievable to me that, in times of unprecedented peace and prosperity, the Federal Government has found a level that exceeds the level needed to defend America and the rest of the world during World War II. It simply does not make sense that the Federal Government should be collecting this record amount of taxes.

As bad as what I said sounds, it is not the whole story. That is because Federal agencies are required to exclude a significant piece of Federal collections. I am talking about user fees that taxpayers pay in order to obtain Federal services. These are fees but are still money collected from the people of the United States by the Federal Government.

For example, when someone visits Yellowstone National Park, they pay an entrance fee. Businesses are often required to pay user fees to obtain services of the Federal agencies. The dirty little secret on user fees is that, under our budget laws, they are not included as Federal receipts. Instead, they are treated as an offset to the expenses of the Federal agency collecting those receipts. So you heard me right, they never really show up on the Federal books as money that the Federal Government collects. Under this treatment, user fees, then, are a stealth receipt, one that understates Federal revenues and understates Federal outlays by offsetting the agency’s operating expenses. These fees I just mentioned are not insignificant. During the year 2000, they accounted for nearly $212 billion in hidden revenue and expenses. You see on this chart that with user fees, we soon get to an unprecedented tax level of 22.76 percent of gross domestic product.

The most sorry part of this whole story is that this huge increase in taxes has been borne almost exclusively by the individual American taxpayer. As this next chart shows, over the past decade, tax collection levels for payroll taxes, corporate taxes, and all other taxes have been relatively stable.

Just look, every color on that chart—other taxes, corporate taxes, payroll taxes—have been constant over the last decade. But look at the very significant increase in individual taxes during that period of time. Corporate taxes during the past 10 years have increased from 1.6 percent of GDP to 2.1 percent. Estate taxes have remained essentially unchanged. Collections of individual income taxes have more than doubled.

As this chart shows, in 1992, tax collections from individuals were 7.7 percent of our gross domestic product. That percentage has risen steadily each year and, as of the year 2000, was an astounding 10.2 percent of gross domestic product. Any wonder, then, why the President and most Members of Congress believe there ought to be a tax cut? That is why the President and most members of his party believe there ought to be a significant tax cut and it ought to be concentrated on reducing income taxes.

Individual income taxes now take up the largest share of gross domestic product in our history. Even taxes during World War II, collections from individuals were 9.4 percent of the gross domestic product, nearly a full percentage point below the current level.

So, as you can see, the main source of the current and projected surpluses is from the huge runup in individual income tax collections that have occurred since the passage of the biggest tax increase in the history of our country—the 1993 tax Clinton tax increase.

Admittedly, some of this increase is due to our booming economy. A portion of this increase is attributable to real gains in wages, which has forced people into higher tax rate brackets. The real wage growth is not compensated for by the usual indexing of income tax brackets.

Since 1992, total personal income has grown an average of 5.6 percent a year. In contrast, however, the Federal income tax collections have grown an average of 9.1 percent a year, outstripping the rate of personal income growth by 64 percent.

That fact alone is outrageous. And it is a simple enough reason why we need to do something about individual income taxes and let American working men and women keep more of their resources.

Again, this started with the biggest tax increase in the history of the country under President Clinton in 1993. The results of these increases are obvious from the charts that we have reviewed. Each chart shows a large increase in taxes from 1993 to the year 2000. The Joint Committee on Taxation, at the request of the Joint Economic Committee, estimated that just repealing the revenue-raising provisions of President Clinton's 1993 tax