Total tax expenditures are large in comparison to annual income taxes collected and to the government’s major programs.

**Budgetary Cost in 2019 (Billions of Dollars)**

- **All Tax Expenditures**: $1.5 Trillion
- **Individual & Corporate Income Tax Revenues**: $1.9 Trillion
- **Social Security**: $1.0 Trillion
- **Defense**: $676 Billion
- **Medicare**: $644 Billion


**Notes:** Tax expenditures are deductions, credits, exclusions, and preferential rates. The estimates for tax expenditures do not account for any interactive effects of combining various provisions. Medicare spending is net of premiums and payments from the states. Defense represents discretionary defense spending.