
Fiscal Policy (Economics Term)

Federal government policies with respect to taxes and spending that affect the level, composition, and distribution of national income and output. The budget process is a major vehicle for determining and implementing federal fiscal policy. Many summary indicators of fiscal policy exist. Some, such as the budget surplus or deficit, are narrowly budgetary. Others attempt to reflect aspects of how fiscal policy affects the economy.

Fiscal Year

Any yearly accounting period, regardless of its relationship to a calendar year. The fiscal year for the federal government begins on October 1 of each year and ends on September 30 of the following year; it is designated by the calendar year in which it ends. For example, fiscal year 1990 began October 1, 1989, and ended September 30, 1990. (Prior to fiscal year 1977, the federal fiscal year began on July 1 and ended on June 30. The 3-month period, July 1, 1976, to September 30, 1976, between fiscal years 1976 and 1977 is called the transition quarter ("TQ").) (For a more detailed description of the budget process, *see* app. I.)

Budget Year

A term used in the budget formulation process to refer to the fiscal year for which the budget is being considered, that is, with respect to a session of Congress, the fiscal year of the government that starts on October 1 of the calendar year in which that session of Congress begins.

Current Year

A term used in the budget formulation process to refer to the fiscal year immediately preceding the budget year under consideration.

Outyear

In the Concurrent Resolution on the Budget, or in the President's budget submission, any fiscal year (or years) beyond the budget year for which projections are made.