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Feb. 14, 2013

A report by the Congressional Budget Office says the United States posted a \$3 billion federal budget surplus for the month of January, marking the first surplus in about five years.

It was likely the result of extra taxes being sent to the U.S. Treasury Dept. after the expiration of the payroll tax cuts.

It was the first surplus for a January since 2008, the Treasury Department reported. Earlier economic forecasts had expected a \$2B shortfall, but that was prior to the January 2 passage of the new tax laws. In January 2012, the budget had a deficit of \$27 billion.

The payroll tax cuts, which expired at the end of 2012, had reduced paycheck withholdings for Social Security and Medicare by 2 percent.

The Congressional Budget Office said when employers returned to withholding, and remitting, the full deduction amount, the Treasury received about \$9 billion more in taxes.

The deficit for the fiscal year starting in October is still \$290 billion, but that is 17 percent lower than at this point in fiscal year 2012.

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