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CBO also notes a lower deficit figure of $267 billion if TARP spending to date is accounted for instead on a *net present value basis.* Including TARP Spending, federal outlays have increased by 48% and receipts have decreased by 6%. The FY 2008 deficit was $455 billion, the highest nominal deficit in U.S. history -- $293 billion or 180% more than the FY 2007 deficit.

For both the current fiscal year and FY 2010, some economists predict deficits of more than $1 trillion. To put this into perspective, a deficit of this magnitude would not only be the largest nominal deficit in U.S. history, but would also be the largest deficit as a percentage of GDP since World War II.