

DEFAC General Fund Revenue Worksheet

March-26 DEFAC Meeting	FY 2025 A Actual Collections	FY 2026				
		B DEFAC Dec-25	C % B over A	D DEFAC Mar-26	E % D over A	F \$ Increase D over B
Revenue Category						
Personal Income Tax	2,718.2	2,821.3	3.8%	2,841.8	4.5%	20.5
Less: Refunds	<u>(335.0)</u>	<u>(288.5)</u>	-13.9%	<u>(288.5)</u>	-13.9%	<u>0.0</u>
PIT Less Refunds	2,383.2	2,532.8	6.3%	2,553.3	7.1%	20.5
Franchise Tax	1,324.4	1,328.9	0.3%	1,328.9	0.3%	0.0
Limited Partnerships & LLC's	522.1	551.0	5.5%	551.0	5.5%	0.0
Subtotal Franchise + LP/LLC	1,846.5	1,879.9	1.8%	1,879.9	1.8%	0.0
Less: Refunds	<u>(20.2)</u>	<u>(22.0)</u>	9.0%	<u>(22.0)</u>	9.0%	<u>0.0</u>
Net Franchise + LP/LLC	1,826.3	1,857.9	1.7%	1,857.9	1.7%	0.0
Business Entity Fees	171.4	171.0	-0.2%	171.0	-0.2%	0.0
Uniform Commercial Code	32.5	30.0	-7.7%	32.0	-1.5%	2.0
Unclaimed Property	554.0	554.0	0.0%	554.0	0.0%	0.0
Less: Refunds	<u>(128.0)</u>	<u>(150.0)</u>	17.2%	<u>(168.0)</u>	31.2%	<u>(18.0)</u>
Unclaimed Prop Less Refunds	426.0	404.0	-5.2%	386.0	-9.4%	(18.0)
Gross Receipts Tax	388.5	420.1	8.1%	437.1	12.5%	17.0
Lottery	230.0	248.4	8.0%	257.6	12.0%	9.2
Corporation Income Tax	452.5	413.3	-8.7%	413.3	-8.7%	0.0
Less: Refunds	<u>(81.1)</u>	<u>(80.0)</u>	-1.3%	<u>(68.0)</u>	-16.1%	<u>12.0</u>
CIT Less Refunds	371.4	333.3	-10.3%	345.3	-7.0%	12.0
Realty Transfer Tax	235.8	247.9	5.1%	247.9	5.1%	0.0
Cigarette Taxes	87.5	82.4	-5.8%	82.4	-5.8%	0.0
Bank Franchise Tax	114.8	96.5	-15.9%	98.6	-14.1%	2.1
Insurance Taxes and Fees	100.3	84.2	-16.1%	83.3	-17.0%	(0.9)
Hospital Board and Treatment	23.5	21.4	-8.9%	21.4	-8.9%	0.0
Public Utility Tax	36.0	35.2	-2.2%	36.5	1.4%	1.3
Alcoholic Beverage Tax	31.5	31.4	-0.3%	31.4	-0.3%	0.0
Dividends and Interest	165.5	188.4	13.8%	180.5	9.1%	(7.9)
Other Revenues	82.2	89.0	8.3%	89.0	8.3%	0.0
Less: Other Refunds	<u>(12.2)</u>	<u>(17.0)</u>	39.8%	<u>(14.7)</u>	20.9%	2.3
Net Receipts	6,694.3	6,856.9	2.4%	6,896.5	3.0%	39.6

DEFAC General Fund Revenue Worksheet

March-26 DEFAC Meeting	FY 2027					FY 2028				
	G DEFAC Dec-25	H % G over B	I DEFAC Mar-26	J % I over D	K \$ Increase I over G	L DEFAC Dec-25	M % L over G	N DEFAC Mar-26	O % N over I	P \$ Increase N over L
Revenue Category										
Personal Income Tax	2,915.6	3.3%	2,920.1	2.8%	4.5	3,100.0	6.3%	3,087.9	5.7%	(12.1)
Less: Refunds	<u>(267.3)</u>	-7.3%	<u>(267.3)</u>	-7.3%	<u>0.0</u>	<u>(268.9)</u>	0.6%	<u>(268.9)</u>	0.6%	<u>0.0</u>
PIT Less Refunds	2,648.3	4.6%	2,652.8	3.9%	4.5	2,831.1	6.9%	2,819.0	6.3%	(12.1)
Franchise Tax	1,328.9	0.0%	1,328.9	0.0%	0.0	1,328.9	0.0%	1,328.9	0.0%	0.0
Limited Partnerships & LLC's	557.0	1.1%	557.0	1.1%	0.0	557.0	0.0%	557.0	0.0%	0.0
Subtotal Franchise + LP/LLC	1,885.9	0.3%	1,885.9	0.3%	0.0	1,885.9	0.0%	1,885.9	0.0%	0.0
Less: Refunds	<u>(10.0)</u>	-54.5%	<u>(10.0)</u>	-54.5%	<u>0.0</u>	<u>(10.0)</u>	0.0%	<u>(10.0)</u>	0.0%	<u>0.0</u>
Net Franchise + LP/LLC	1,875.9	1.0%	1,875.9	1.0%	0.0	1,875.9	0.0%	1,875.9	0.0%	0.0
Business Entity Fees	171.0	0.0%	171.0	0.0%	0.0	171.0	0.0%	171.0	0.0%	0.0
Uniform Commercial Code	30.0	0.0%	32.0	0.0%	2.0	30.0	0.0%	32.0	0.0%	2.0
Unclaimed Property	554.0	0.0%	554.0	0.0%	0.0	525.0	-5.2%	525.0	-5.2%	0.0
Less: Refunds	<u>(130.0)</u>	-13.3%	<u>(130.0)</u>	-22.6%	<u>0.0</u>	<u>(130.0)</u>	0.0%	<u>(130.0)</u>	0.0%	<u>0.0</u>
Unclaimed Prop Less Refunds	424.0	5.0%	424.0	9.8%	0.0	395.0	-6.8%	395.0	-6.8%	0.0
Gross Receipts Tax	432.2	2.9%	429.6	-1.7%	(2.6)	450.0	4.1%	450.0	4.7%	0.0
Lottery	252.6	1.7%	261.7	1.6%	9.1	256.4	1.5%	265.6	1.5%	9.2
Corporation Income Tax	335.0	-18.9%	335.0	-18.9%	0.0	362.4	8.2%	362.4	8.2%	0.0
Less: Refunds	<u>(79.8)</u>	-0.3%	<u>(91.8)</u>	35.0%	<u>(12.0)</u>	<u>(80.0)</u>	0.3%	<u>(80.0)</u>	-12.9%	<u>0.0</u>
CIT Less Refunds	255.2	-23.4%	243.2	-29.6%	(12.0)	282.4	10.7%	282.4	16.1%	0.0
Realty Transfer Tax	267.5	7.9%	267.5	7.9%	0.0	278.2	4.0%	278.2	4.0%	0.0
Cigarette Taxes	78.3	-5.0%	78.3	-5.0%	0.0	74.4	-5.0%	74.4	-5.0%	0.0
Bank Franchise Tax	105.5	9.3%	104.5	6.0%	(1.0)	107.5	1.9%	106.7	2.1%	(0.8)
Insurance Taxes and Fees	102.1	21.3%	101.2	21.5%	(0.9)	92.8	-9.1%	91.9	-9.2%	(0.9)
Hospital Board and Treatment	21.4	0.0%	21.4	0.0%	0.0	21.0	-1.9%	21.0	-1.9%	0.0
Public Utility Tax	33.3	-5.4%	34.5	-5.5%	1.2	32.6	-2.1%	33.8	-2.0%	1.2
Alcoholic Beverage Tax	31.4	0.0%	31.4	0.0%	0.0	31.4	0.0%	31.4	0.0%	0.0
Dividends and Interest	145.4	-22.8%	140.2	-22.3%	(5.2)	134.1	-7.8%	129.8	-7.4%	(4.3)
Other Revenues	90.6	1.8%	90.6	1.8%	0.0	92.1	1.7%	92.1	1.7%	0.0
Less: Other Refunds	<u>(16.2)</u>	-4.7%	<u>(16.2)</u>	10.2%	0.0	<u>(16.9)</u>	4.3%	<u>(16.9)</u>	4.3%	<u>0.0</u>
Net Receipts	6,948.5	1.3%	6,943.6	0.7%	(4.9)	7,139.0	2.7%	7,133.3	2.7%	(5.7)

Summary of Changes YTD

March-26

	<u>FY 2026</u>		<u>FY 2027</u>	
	<u>Amount</u>	<u>% Ch</u>	<u>Amount</u>	<u>% Ch</u>
June 2025 Estimate:	\$6,782.9		\$6,871.7	
Revenue Adjustments: Revenue Resolution	<u>0.0</u>	0.0%	<u>0.0</u>	0.0%
Revenue Resolution	\$6,782.9		\$6,871.7	
October Changes to Forecast:	(\$98.8)	-1.5%	(\$47.8)	-0.7%
December Changes to Forecast:	\$172.8	2.5%	\$124.6	1.8%
March Changes to Forecast:	\$39.6	0.6%	(\$4.9)	-0.1%
May Changes to Forecast:		0.0%		0.0%
June Changes to Forecast:		0.0%		0.0%
TOTAL CHANGES YTD vs. June DEFAC:				
Bottom Line: TOTAL CHANGES YTD vs. Rev. Resolution & other tax law changes ★				
	★ \$113.6	1.7%	\$71.9	1.0% ★
Current Estimate:	\$6,896.5		\$6,943.6	

**March 2026
over
December 2025**

		<u>FY 2026</u>	<u>FY 2027</u>
WHERE WE STARTED			
DEFAC Estimate:	Dec 25	\$6,856.9	\$6,948.5
WHERE WE ARE NOW			
Revenue Sub:	Mar 26	\$6,896.5	\$6,943.6
\$\$ Change vs	Dec 25	DEFAC	(\$4.9)
% Change vs.	Dec 25	DEFAC	-0.1%
Major Positive Changes in:		<u>FY 2026</u>	<u>FY 2027</u>
Net PIT		\$20.5	Lottery \$9.1
Gross Receipts Tax		\$17.0	Net PIT \$4.5
Net CIT		\$12.0	Uniform Commercial Code \$2.0
Lottery		\$9.2	Public Utility Tax \$1.2
Major Negative Changes in:		<u>FY 2026</u>	<u>FY 2027</u>
Net Unclaimed Property		(\$18.0)	Net CIT (\$12.0)
Dividends and Interest		(\$7.9)	Dividends and Interest (\$5.2)
Insurance Taxes		(\$0.9)	Gross Receipts Tax (\$2.6)
			Bank Franchise Tax (\$1.0)

Balance and Appropriations Worksheet

March-26

FY 2026 EXPENDITURES

Total Spending Authority	\$8,752.0
Less: Continuing Appropriations & Encumbrances from FY 2026	(\$1,449.4)
Less: Reversions	<u>(\$100.0)</u>
Total Expenditures	\$7,202.6

FY 2026 BALANCES

Total Expenditures	\$7,202.6
vs. FY 2026 Revenues	6,896.5
Operating Balance	(306.1)
Prior Year Cash Balance	2,925.3
Less: Budget Stabilization Fund (29 Del. C. § 6533(k))	<u>(\$469.3)</u>
Cumulative Cash Balance	2,149.9
Less: Continuing Appropriations & Encumbrances from FY 2026	(1,449.4)
Less: Budgetary Reserve Account	<u>(\$366.5)</u>
Unencumbered Cash Balance 6/30	\$334.0

FY 2027 APPROPRIATION LIMITS

FY 2027 Revenue Estimate	\$6,943.6
Unencumbered Cash Balance from FY 2026	<u>\$334.0</u>
100% Appropriation Limit	\$7,277.6
98% Appropriation Limit	<u>\$7,132.0</u>
Prior 98% Appropriation Limit	\$7,098.0
Increase (Decrease) from Prior Meeting	\$34.0
October 2025 98% Appropriation Limit	\$6,733.0
Increase (Decrease) from October 2025	\$399.0

FY 2026 BUDGET

Budget	\$6,580.8
Grants	\$98.3
Supplemental	\$406.0
Total Appropriations	\$7,085.1
Plus: Continuing Appropriations & Encumbrances from Prior Years	<u>\$1,666.9</u>
Total Spending Authority	\$8,752.0

FY 2026 RESERVES

2% Set Aside	\$144.6
Budget Reserve Account	\$366.5
Budget Stabilization Fund	<u>\$469.3</u>
Reserves	\$980.4
Revenue Resolution (Gross)	\$7,330.9
Reserve Ratio	13.4%

DEFAC FORECAST SUMMARY

\$ Amounts in Millions

March-26

ECONOMIC OUTLOOK

- Employment and income forecasts somewhat weaker
- Two rate cuts still expected, but later this year
- Significant risk and uncertainty from the war but unlikely, at this point, to lead to a recession

	Average	Annual % Change		
	<u>FY23-25</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>
GDP	2.6	2.5	2.3	2.0
US Employment	1.8	0.3	0.3	0.3
DE Employment	2.1	0.9	0.7	0.3

REVENUE UPDATE

	<u>FY 25</u>	<u>FY26 (Est)</u>	<u>FY27 (Est)</u>	<u>FY28 (Est)</u>
NET GENERAL FUND	\$6,694.3	\$6,896.5	\$6,943.6	\$7,133.3
ANNUAL GROWTH RATES	0.9%	3.0%	0.7%	2.7%

MAJOR CHANGES SINCE LAST MEETING

	<u>FY 26</u>		<u>FY 27</u>
Personal Income Tax	\$20.5	CIT Refunds	(\$12.0)
Unclaimed Property Refunds	(\$18.0)	Lottery	\$9.1
Gross Receipts Tax	\$17.0	Dividends and Interest	(\$5.2)
TOTAL CHANGE	\$39.6	TOTAL CHANGE	(\$4.9)

EXPENDITURE UPDATE

FY 26 Estimate

\$7,202.6

COMPARISON VERSUS

	<u>\$ Change</u>	<u>% Change</u>
DEFAC's last meeting	(\$15.7)	-0.2%
FY 2025 Actual Expenditures	\$277.3	4.0%

Appropriation Limit

FY 27 BUDGET OUTLOOK

\$7,132.0

COMPARISON VERSUS

	<u>\$ Change</u>	<u>% Change</u>
DEFAC's last meeting	\$34.0	0.5%
Since Governor's FY 27 Recommended Budget (Dec.)	\$34.0	0.5%
Current Budget (FY 26)	\$551.2	8.4%