

DEFAC General Fund Revenue Worksheet

Revenue Category	FY 2025 A Actual Collections	FY 2026				
		B DEFAC Mar-26	C % B over A	D DEFAC May-26	E % D over A	F \$ Increase D over B
May-26 DEFAC Meeting						
Personal Income Tax	2,718.2	2,841.8	4.5%	2,933.2	7.9%	91.4
Less: Refunds	<u>(335.0)</u>	<u>(288.5)</u>	-13.9%	<u>(362.7)</u>	8.3%	<u>(74.2)</u>
PIT Less Refunds	2,383.2	2,553.3	7.1%	2,570.5	7.9%	17.2
Franchise Tax	1,324.4	1,328.9	0.3%	1,338.0	1.0%	9.1
Limited Partnerships & LLC's	522.1	551.0	5.5%	575.0	10.1%	24.0
Subtotal Franchise + LP/LLC	1,846.5	1,879.9	1.8%	1,913.0	3.6%	33.1
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%	1,891.0	3.5%	33.1
Business Entity Fees	171.4	171.0	-0.2%	185.0	7.9%	14.0
Uniform Commercial Code	32.5	32.0	-1.5%	35.0	7.7%	3.0
Unclaimed Property	554.0	554.0	0.0%	554.0	0.0%	0.0
Less: Refunds	<u>(128.0)</u>	<u>(168.0)</u>	31.2%	<u>(168.0)</u>	31.2%	<u>0.0</u>
Unclaimed Prop Less Refunds	426.0	386.0	-9.4%	386.0	-9.4%	0.0
Gross Receipts Tax	388.5	437.1	12.5%	449.5	15.7%	12.4
Lottery	230.0	257.6	12.0%	256.3	11.4%	(1.3)
Corporation Income Tax	452.5	413.3	-8.7%	443.0	-2.1%	29.7
Less: Refunds	<u>(81.1)</u>	<u>(68.0)</u>	-16.1%	<u>(95.0)</u>	17.2%	<u>(27.0)</u>
CIT Less Refunds	371.4	345.3	-7.0%	348.0	-6.3%	2.7
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	98.6	-14.1%	99.4	-13.4%	0.8
Insurance Taxes and Fees	100.3	83.3	-17.0%	96.8	-3.5%	13.5
Hospital Board and Treatment	23.5	21.4	-8.9%	22.1	-5.9%	0.7
Public Utility Tax	36.0	36.5	1.4%	38.1	5.9%	1.6
Alcoholic Beverage Tax	31.5	31.4	-0.3%	31.4	-0.3%	0.0
Dividends and Interest	165.5	180.5	9.1%	183.6	10.9%	3.1
Other Revenues	82.2	89.0	8.3%	89.7	9.1%	0.7
Less: Other Refunds	<u>(12.2)</u>	<u>(14.7)</u>	20.9%	<u>(12.0)</u>	-1.3%	2.7
Net Receipts	6,694.3	6,896.5	3.0%	7,000.7	4.6%	104.2

May-26 DEFAC Meeting	FY 2027					FY 2028				
	G DEFAC Mar-26	H % G over B	I DEFAC May-26	J % I over D	K \$ Increase I over G	L DEFAC Mar-26	M % L over G	N DEFAC May-26	O % N over I	P \$ Increase N over L
Revenue Category										
Personal Income Tax	2,920.1	2.8%	3,019.9	3.0%	99.8	3,087.9	5.7%	3,151.9	4.4%	64.0
Less: Refunds	<u>(267.3)</u>	-7.3%	<u>(360.5)</u>	-0.6%	<u>(93.2)</u>	<u>(268.9)</u>	0.6%	<u>(372.4)</u>	3.3%	<u>(103.5)</u>
PIT Less Refunds	2,652.8	3.9%	2,659.4	3.5%	6.6	2,819.0	6.3%	2,779.5	4.5%	(39.5)
Franchise Tax	1,328.9	0.0%	1,338.0	0.0%	9.1	1,328.9	0.0%	1,338.0	0.0%	9.1
Limited Partnerships & LLC's	557.0	1.1%	575.0	0.0%	18.0	557.0	0.0%	575.0	0.0%	18.0
Subtotal Franchise + LP/LLC	1,885.9	0.3%	1,913.0	0.0%	27.1	1,885.9	0.0%	1,913.0	0.0%	27.1
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%	1,903.0	0.6%	27.1	1,875.9	0.0%	1,903.0	0.0%	27.1
Business Entity Fees	171.0	0.0%	175.0	-5.4%	4.0	171.0	0.0%	175.0	0.0%	4.0
Uniform Commercial Code	32.0	0.0%	33.0	-5.7%	1.0	32.0	0.0%	33.0	0.0%	1.0
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>	-22.6%	<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	9.8%	424.0	9.8%	0.0	395.0	-6.8%	395.0	-6.8%	0.0
Gross Receipts Tax	429.6	-1.7%	459.4	2.2%	29.8	450.0	4.7%	481.0	4.7%	31.0
Lottery	261.7	1.6%	260.4	1.6%	(1.3)	265.6	1.5%	264.3	1.5%	(1.3)
Corporation Income Tax	335.0	-18.9%	335.0	-24.4%	0.0	362.4	8.2%	362.4	8.2%	0.0
Less: Refunds	<u>(91.8)</u>	35.0%	<u>(91.8)</u>	-3.4%	<u>0.0</u>	<u>(80.0)</u>	-12.9%	<u>(80.0)</u>	-12.9%	<u>0.0</u>
CIT Less Refunds	243.2	-29.6%	243.2	-30.1%	0.0	282.4	16.1%	282.4	16.1%	0.0
Realty Transfer Tax	267.5	7.9%	257.8	4.0%	(9.7)	278.2	4.0%	268.1	4.0%	(10.1)
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	104.5	6.0%	106.0	6.6%	1.5	106.7	2.1%	108.2	2.1%	1.5
Insurance Taxes and Fees	101.2	21.5%	121.6	25.6%	20.4	91.9	-9.2%	119.8	-1.5%	27.9
Hospital Board and Treatment	21.4	0.0%	21.4	-3.2%	0.0	21.0	-1.9%	21.0	-1.9%	0.0
Public Utility Tax	34.5	-5.5%	36.1	-5.2%	1.6	33.8	-2.0%	35.3	-2.2%	1.5
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	140.2	-22.3%	152.2	-17.1%	12.0	129.8	-7.4%	122.0	-19.8%	(7.8)
Other Revenues	90.6	1.8%	92.5	3.1%	1.9	92.1	1.7%	94.0	1.6%	1.9
Less: Other Refunds	<u>(16.2)</u>	10.2%	<u>(15.3)</u>	27.5%	0.9	<u>(16.9)</u>	4.3%	<u>(15.9)</u>	3.9%	<u>1.0</u>
Net Receipts	6,943.6	0.7%	7,039.4	0.6%	95.8	7,133.3	2.7%	7,171.5	1.9%	38.2

Summary of Changes YTD

May-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	0.0	0.0%	0.0	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:	\$104.2	1.5%	\$95.8	1.4%
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 ★				
	★ \$217.8	3.2%	\$167.7	2.4% ★
Current Estimate:	\$7,000.7		\$7,039.4	

**May 2026
over
March 2026**

			<u>FY 2026</u>	<u>FY 2027</u>
<u>WHERE WE STARTED</u>				
DEFAC Estimate:	Mar 26		\$6,896.5	\$6,943.6
<u>WHERE WE ARE NOW</u>				
Revenue Sub:	May 26		\$7,000.7	\$7,039.4
\$\$ Change vs	Mar 26	DEFAC	\$104.2	\$95.8
% Change vs.	Mar 26	DEFAC	1.5%	1.4%
 Major Positive Changes in:			<u>FY 2026</u>	<u>FY 2027</u>
Net Franchise + LLP/LLC			\$33.1	\$29.8
Net PIT			\$17.2	\$27.1
Corporate Fees			\$14.0	\$20.4
Insurance Taxes			\$13.5	\$12.0
				Gross Receipts Tax
				Net Franchise + LLP/LLC
				Insurance Taxes
				Dividends and Interest
 Major Negative Changes in:			<u>FY 2026</u>	<u>FY 2027</u>
Lottery			(\$1.3)	(\$9.7)
				Realty Transfer Tax
				Lottery

Balance and Appropriations Worksheet

May-26

FY 2026 EXPENDITURES

Total Spending Authority	\$8,752.0
Less: Continuing Appropriations & Encumbrances from FY 2026	(\$1,499.7)
Less: Reversions	<u>(\$100.0)</u>
Total Expenditures	\$7,152.2

FY 2026 BALANCES

Total Expenditures	\$7,152.2
vs. FY 2026 Revenues	7,000.7
Operating Balance	(151.5)
Prior Year Cash Balance	2,925.3
Less: Budget Stabilization Fund (29 Del. C. § 6533(k))	<u>(\$469.3)</u>
Cumulative Cash Balance	2,304.5
Less: Continuing Appropriations & Encumbrances from FY 2026	(1,499.7)
Less: Budgetary Reserve Account	<u>(\$366.5)</u>
Unencumbered Cash Balance 6/30	\$438.2

FY 2027 APPROPRIATION LIMITS

FY 2027 Revenue Estimate	\$7,039.4
Unencumbered Cash Balance from FY 2026	<u>\$438.2</u>
100% Appropriation Limit	\$7,477.6
98% Appropriation Limit	<u>\$7,328.0</u>
Prior 98% Appropriation Limit	\$7,132.0
Increase (Decrease) from Prior Meeting	\$196.0
October 2025 98% Appropriation Limit	\$6,733.0
Increase (Decrease) from October 2025	\$595.0

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

May-26

ECONOMIC OUTLOOK

- Employment and income forecasts somewhat weaker
- Inflation may be resurgent; further rate cuts not expected until mid-2027
- Significant risk and uncertainty from the war but unlikely, at this point, to lead to a recession

	Average	<u>Annual % Change</u>		
	<u>FY23-25</u>	<u>FY 26</u>	<u>FY 27</u>	<u>FY 28</u>
GDP	2.6	2.3	1.5	2.2
US Employment	1.8	0.2	0.0	0.0
DE Employment	2.4	0.3	0.5	0.1

REVENUE UPDATE

	<u>FY 25</u>	<u>FY26 (Est)</u>	<u>FY27 (Est)</u>	<u>FY28 (Est)</u>
NET GENERAL FUND	\$6,694.3	\$7,000.7	\$7,039.4	\$7,171.5
ANNUAL GROWTH RATES	0.9%	4.6%	0.6%	1.9%

MAJOR CHANGES SINCE LAST MEETING

	<u>FY 26</u>		<u>FY 27</u>
Personal Income Tax	\$91.4	Personal Income Tax	\$99.8
PIT Refunds	(\$74.2)	PIT Refunds	(\$93.2)
Corporation Income Tax	\$29.7	Gross Receipts Tax	\$29.8
TOTAL CHANGE	\$104.2	TOTAL CHANGE	\$95.8

EXPENDITURE UPDATE

FY 26 Estimate

\$7,152.2

COMPARISON VERSUS

	<u>\$ Change</u>	<u>% Change</u>
DEFAC's last meeting	(\$66.1)	-0.9%
FY 2025 Actual Expenditures	\$226.9	3.3%

Appropriation Limit

FY 27 BUDGET OUTLOOK

\$7,328.0

COMPARISON VERSUS

	<u>\$ Change</u>	<u>% Change</u>
DEFAC's last meeting	\$196.0	2.7%
Since Governor's FY 27 Recommended Budget (Dec.)	\$230.0	3.2%
Current Budget (FY 26)	\$747.2	11.4%