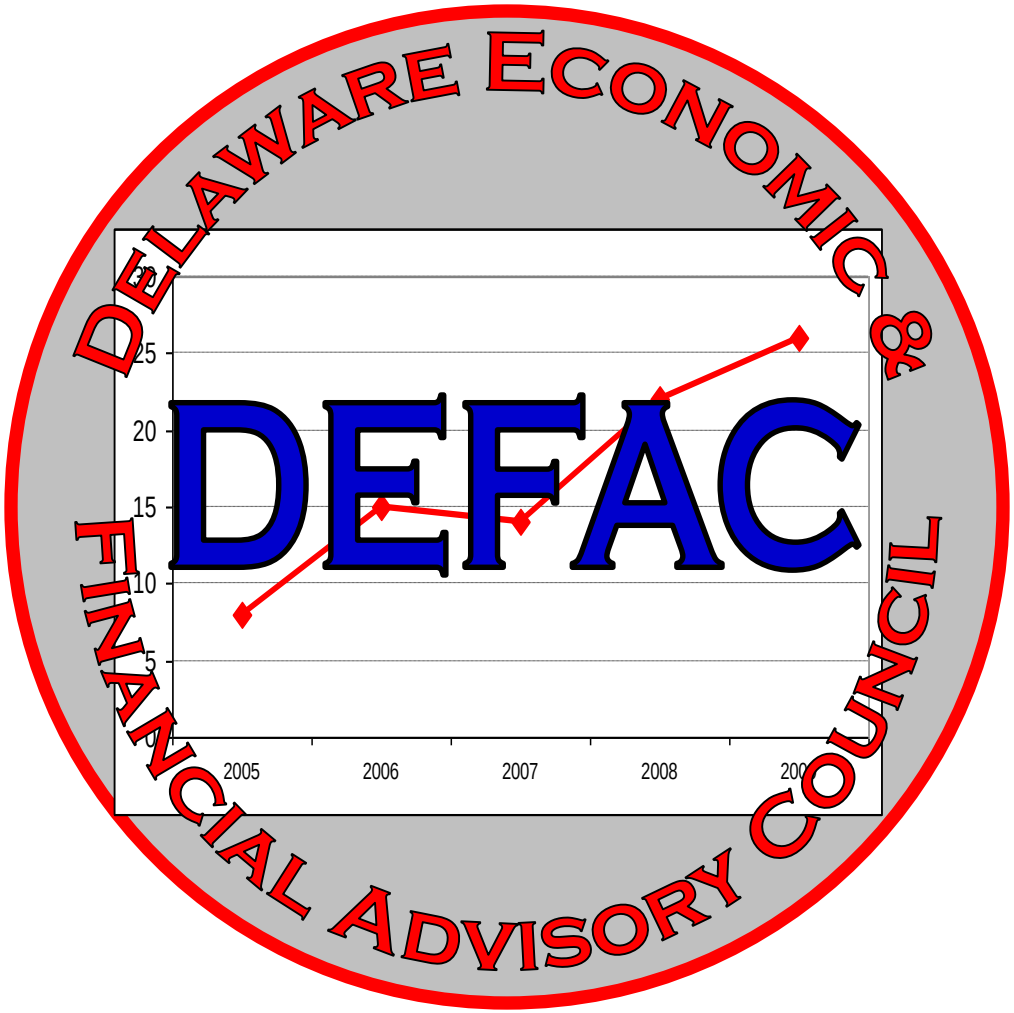
PLEASE NOTE: The projections contained in this package are NOT official.
They have been submitted for DEFAC's consideration.
Final projections may differ based on the outcome of DEFAC's deliberations.



PRESS PACKAGE

May 18, 2026

General Fund
DEFAC FORECAST SUMMARY

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	Annual % Change		
	FY23-25	FY 26	FY 27	FY 28
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

	FY 25	FY26 (Est)	FY27 (Est)	FY28 (Est)
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	**FY 26**		**FY 27**
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	**$ Change**	**% Change**
DEFAC's last meeting	($66.1)	-0.9%
FY 2025 Actual Expenditures	$226.9	3.3%

FY 27 BUDGET OUTLOOK

Appropriation Limit

$7,328.0

COMPARISON VERSUS	**$ Change**	**% Change**
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%

General Fund
Balance & Appropriations Worksheet

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	($100.0)
Total Expenditures	$7,152.2

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	$1,666.9
Total Spending Authority	$8,752.0

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))	($469.3)
Cumulative Cash Balance	2,304.5
Less: Continuing Appropriations & Encumbrances from FY 2026	(1,499.7)
Less: Budgetary Reserve Account	($366.5)
Unencumbered Cash Balance 6/30	$438.2

FY 2026 RESERVES

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

FY 2027 APPROPRIATION LIMITS

FY 2027 Revenue Estimate	$7,039.4
Unencumbered Cash Balance from FY 2026	$438.2
100% Appropriation Limit	$7,477.6
98% Appropriation Limit	$7,328.0
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

General Fund
Expenditure Report

DEFAC Expenditures Forecast for General Fund Disbursements FY2026 ($ in millions)
May 18, 2026

	FY2021 Actual	FY2022 Actual	FY2023 Actual	FY2024 Actual	FY2025 Actual		FY2026 Appropriations
Budget Act	4,525.2	4,771.5	5,099.7	5,606.7	6,129.2		6,580.8
Supplementals	-	221.1	378.6	194.6	168.4		37.6
Cash to Bond Bill	35.4	692.3	855.5	753.4	427.5		368.3
Grant-in-Aid	54.5	63.2	69.4	72.0	98.5		98.3
Continuing & Encumbered (from prior years)	431.3	495.8	1,098.6	1,575.0	1,864.6		1,666.9
Fiscal Year Spending Authority	**5,046.4**	**6,243.9**	**7,501.7**	**8,201.7**	**8,688.1**		**8,752.0**
% increase/(decrease)	**(0.7%)**	**23.7%**	**20.1%**	**9.3%**	**5.9%**		**0.7%**
Less:						**FY2026 Mar.**	**FY2026 May**
Reversions to the General Fund	53.4	85.8	67.4	105.0	95.9	100.0	100.0
Continuing & Encumbered to next fiscal year	495.8	1,098.6	1,575.0	1,864.6	1,666.9	1,449.4	1,499.7
Encumbered to next fiscal year	*53.1*	*71.6*	*57.3*	*61.6*	*70.4*	*60.0*	*60.0*
Continuing to next fiscal year	*442.6*	*1,027.0*	*1,517.7*	*1,802.9*	*1,596.4*	*1,389.4*	*1,439.7*
Fiscal Year Budgetary Expenditures	**4,497.2**	**5,059.5**	**5,859.3**	**6,232.1**	**6,925.3**	***7,202.6***	**7,152.2**
% increase/(decrease)	**(0.4%)**	**12.5%**	**15.8%**	**6.4%**	**11.1%**	**4.0%**	**3.3%**
Comments:	**Actual**	**Actual**	**Actual**	**Actual**	**Actual**	**Mar.**	**May**
Expenditures / Spending Authority	89.1%	81.0%	78.1%	76.0%	79.7%	82.3%	81.7%
Total Continuing / Spending Authority	8.8%	7.1%	20.2%	22.0%	18.4%	15.9%	16.5%

DEFAC Expenditures Forecast for General Fund Disbursements ($ in millions)

May 18, 2026

	FY2026 March	FY2026 May	Var ($)	YoY ($)	YoY (%)	FY2027 March	FY2027 May	Var ($)	YoY ($)	YoY (%)
Salaries	2,202.4	2,202.4	0.0	133.5	6.5%	2,347.8	2,347.8	0.0	145.4	6.6%
Fringe Benefits	824.8	824.8	0.0	59.0	7.7%	900.5	900.5	0.0	75.7	9.2%
Health Care	634.5	634.5	0.0	47.1	8.0%	697.7	697.7	0.0	63.2	10.0%
Other	190.3	190.3	0.0	11.9	6.6%	202.8	202.8	0.0	12.6	6.6%
Pension	594.1	594.1	0.0	(11.3)	(1.9%)	642.3	642.3	0.0	48.2	8.1%
Contribution	292.5	292.5	0.0	16.7	6.1%	311.8	311.8	0.0	19.3	6.6%
Health Care	229.3	229.3	0.0	13.9	6.5%	247.1	247.0	0.0	17.8	7.7%
Other	72.3	72.3	0.0	(41.8)	(36.7%)	83.4	83.5	0.0	11.2	15.4%
Medicaid	1,200.2	1,178.2	(22.1)	97.3	9.0%	1,327.4	1,315.4	(12.0)	137.2	11.6%
Debt Service	262.1	262.1	0.0	10.5	4.2%	273.6	273.0	(0.6)	10.9	4.2%
Capital Outlay	166.8	158.6	(8.3)	(53.0)	(25.0%)	139.1	147.4	8.3	(11.2)	(7.0%)
Contractual Services	1,024.7	1,024.7	0.0	22.7	2.3%	984.4	984.4	0.0	(40.3)	(3.9%)
Grants	834.4	814.5	(20.0)	(30.1)	(3.6%)	788.6	808.6	20.0	(5.9)	(0.7%)
Supplies & Materials	93.0	93.0	0.0	(1.8)	(1.9%)	90.1	90.1	0.0	(2.9)	(3.1%)
Total Expenditures	**7,202.6**	**7,152.2**	**(50.4)**	**226.9**	**3.3%**	**7,493.7**	**7,509.5**	**15.8**	**357.2**	**5.0%**

General Fund
Revenue Report

May-26 DEFAC Meeting	FY 2025	FY 2026				
	A	B	C	D	E	F
Revenue Category	Actual Collections	DEFAC Mar-26	% B over A	DEFAC May-26	% D over A	$ Increase D over B
Personal Income Tax	**2,718.2**	**2,841.8**	**4.5%**	**2,933.2**	**7.9%**	**91.4**
Less: Refunds	**(335.0)**	**(288.5)**	**-13.9%**	**(362.7)**	**8.3%**	**(74.2)**
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	(20.2)	(22.0)	9.0%	(22.0)	9.0%	0.0
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	(128.0)	(168.0)	31.2%	(168.0)	31.2%	0.0
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	(81.1)	(68.0)	-16.1%	(95.0)	17.2%	(27.0)
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	(12.2)	(14.7)	20.9%	(12.0)	-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	H	I	J	K	L	M	N	O	P
	DEFAC	%	DEFAC	%	$ Increase	DEFAC	%	DEFAC	%	$ Increase
Revenue Category	Mar-26	G over B	May-26	I over D	I over G	Mar-26	L over G	May-26	N over I	N over L
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	**(267.3)**	**-7.3%**	**(360.5)**	**-0.6%**	**(93.2)**	**(268.9)**	**0.6%**	**(372.4)**	**3.3%**	**(103.5)**
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	(10.0)	-54.5%	(10.0)	-54.5%	0.0	(10.0)	0.0%	(10.0)	0.0%	0.0
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	(130.0)	-22.6%	(130.0)	-22.6%	0.0	(130.0)	0.0%	(130.0)	0.0%	0.0
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	(91.8)	35.0%	(91.8)	-3.4%	0.0	(80.0)	-12.9%	(80.0)	-12.9%	0.0
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	(16.2)	10.2%	(15.3)	27.5%	0.9	(16.9)	4.3%	(15.9)	3.9%	1.0
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

	FY 2026		FY 2027	
	Amount	**% Ch**	**Amount**	**% Ch**
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

			FY 2026		FY 2027
WHERE WE STARTED					
DEFAC Estimate:	Mar 26		$6,896.5		$6,943.6
WHERE WE ARE NOW					
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:	FY 2026		FY 2027
Net Franchise + LLP/LLC	$33.1	Gross Receipts Tax	$29.8
Net PIT	$17.2	Net Franchise + LLp/LLC	$27.1
Corporate Fees	$14.0	Insurance Taxes	$20.4
Insurance Taxes	$13.5	Dividends and Interest	$12.0

Major Negative Changes in:	FY 2026		FY 2027
Lottery	($1.3)	Realty Transfer Tax	($9.7)
		Lottery	($1.3)

Transportation Trust Fund
Expenditure Report

Delaware Department of Transportation
US 301 FY 2026 Expenditures, Through April 30, 2026

83%

	FY2024 Actual	FY2025 Actual	FY2026 Appropriation	OCTOBER FY2026 Forecast	DECEMBER FY2026 FORECAST	MARCH FY2026 Forecast	MAY FY2026 Forecast	$ difference March to May	$ difference Forecast V. FY2025 Actual	FY2026 YTD Spend	% spent YTD
US301 Operations											
Debt Service - TRB & TIFIA	16.7	16.7	18.8	18.8	18.8	18.8	18.8	0.0	2.1	8.3	44%
Operations	3.2	4.1	4.5	4.5	4.5	4.5	4.5	0.0	0.4	3.8	84%
Total Expenditures - Operations	19.9	20.8	23.3	23.3	23.3	23.3	23.3	0.0	2.5	12.1	52%
US301 Capital											
Toll Revenue Bonds	1.2	18.1	0.0	0.0	0.0	0.0	0.0	0.0	(18.1)	0.0	0%
Total US301	1.2	18.1	0.0	0.0	0.0	0.0	0.0	0.0	(18.1)	0.0	0%
TOTAL EXPENDITURES	21.1	38.9	23.3	23.3	23.3	23.3	23.3	0.0	(15.6)	12.1	52%

Delaware Department of Transportation
FY 2026 Expenditures, Through April 30, 2026

83%

	FY2024 Actual	FY2025 Actual	FY2026 Appropriation	OCTOBER FY2026 Forecast	DECEMBER FY2026 Forecast	MARCH FY2026 Forecast	MAY FY2026 Forecast	$ difference March to May	$ difference Forecast V. FY2025 Actual	FY2026 YTD Spend	% spent YTD
Operations			w/o US301								
Debt Service	82.2	91.6	91.5	91.5	91.5	91.5	91.5	0.0	(0.1)	91.5	100%
Personnel Costs	117.3	129.3	133.8	133.8	133.8	133.8	137.3	3.5	8.0	111.2	81%
Operations/Capital Outlay	82.1	90.2	95.6	95.6	95.6	103.7	109.6	5.9	19.4	83.3	76%
Transit Operations (DTC)	98.2	118.4	120.6	120.6	120.6	120.6	120.6	0.0	2.2	100.5	83%
Total Expenditures - Operations	379.8	429.5	441.5	441.5	441.5	449.6	459.0	9.4	29.5	386.5	84%
State Capital											
Road System	258.1	213.8	189.0	189.0	189.0	180.0	159.5	(20.5)	(54.3)	108.9	68%
Grants & Allocations	35.5	37.0	38.7	38.7	38.7	38.7	28.7	(10.0)	(8.3)	26.0	91%
Support Systems	51.9	67.1	36.5	36.5	36.5	35.5	35.5	0.0	(31.6)	28.8	81%
Transit	14.3	8.2	13.8	13.8	13.8	13.8	12.3	(1.5)	4.1	9.4	76%
State Capital	359.8	326.1	278.0	278.0	278.0	268.0	236.0	(32.0)	(90.1)	173.1	73%
Federal Capital											
Federal Capital	331.6	373.9	375.0	375.0	375.0	400.0	400.0	0.0	26.1	310.1	78%
Total Expenditures - Capital	691.4	700.0	653.0	653.0	653.0	668.0	636.0	(32.0)	(64.0)	483.2	76%
TOTAL EXPENDITURES	1,071.2	1,129.5	1,094.5	1,094.5	1,094.5	1,117.6	1,095.0	(22.6)	(34.5)	869.7	79%

	OCTOBER FY2026 Forecast	DECEMBER FY2026 Forecast	MARCH FY2026 Forecast	MAY FY2026 Forecast	$ difference March to May	FY2026 YTD Spend	% spent YTD
DelDOT	1,094.5	1,094.5	1,117.6	1,095.0	$ (22.6)	$ 869.7	79%
US301	23.3	23.3	23.3	23.3	$ -	$ 12.1	52%
TOTAL	1,117.8	1,117.8	1,140.9	1,118.3	$ (22.6)	$ 881.8	79%

Transportation Trust Fund
Revenue Report

DELAWARE DEPARTMENT OF TRANSPORTATION
Transportation Trust Fund Revenues

				Fiscal 2026			Fiscal 2027		
	FY24	FY25	% Chg.	3/16/2026 Approved	**5/18/2026 Recomm**	% Chg. FY 25	3/16/2026 Approved	**5/18/2026 Recomm**	% Chg. FY 26
TOLL ROAD REVENUES:									
I95 Newark Plaza	$133.5	$121.7	-8.9%	$136.7	**$136.7**	12.3%	$164.2	**$164.2**	20.1%
Route 1 Toll Road	61.1	59.0	-3.4%	$86.9	**$98.0**	66.1%	$98.4	**$98.4**	0.4%
Concessions	2.4	2.2	-8.8%	$2.4	**$2.4**	3.2%	$2.5	**$2.5**	4.2%
Total Toll Road Revenues	197.0	182.9	-7.2%	$226.0	**$237.1**	29.7%	$265.1	**$265.1**	11.8%
MOTOR FUEL TAX ADMIN.	137.4	135.0	-1.7%	$129.7	**$129.7**	(3.9%)	$127.1	**$127.1**	(2.0%)
DIVISION OF MOTOR VEHICLES									
Motor Vehicle Document Fees	149.1	162.4	8.9%	$171.7	**$171.7**	5.7%	$188.5	**$188.5**	9.8%
Motor Vehicle Registration Fees	61.0	62.3	2.2%	$62.8	**$62.8**	0.7%	$64.0	**$64.0**	1.9%
Other DMV Revenues	40.2	43.2	7.4%	$42.9	**$42.9**	-0.7%	$43.3	**$43.3**	0.9%
Alternative Fuel Vehicle Fees	0.0	0.0	0.0%	$2.6	**$2.6**	0.0%	$4.1	**$4.1**	55.9%
Total DMV Revenues	250.3	267.9	7.0%	$280.0	**$280.0**	4.5%	$299.9	**$299.9**	7.1%
OTHER TRANSPORTATION REV.									
Other Transportation Rev	9.1	10.2	12.4%	$25.2	**$25.2**	146.3%	$9.3	**$9.3**	-63.1%
Investment Income(Net)	19.5	10.8	-44.8%	$8.2	**$8.7**	-17.5%	$5.0	**$5.0**	-42.5%
Total Other Transp. Revenue	28.6	21.0	-26.6%	$33.4	**$33.9**	61.5%	$14.3	**$14.3**	-57.8%
GRAND TOTAL	$613.3	$606.8	-1.1%	$669.1	**$680.7**	12.2%	$706.4	**$706.4**	3.8%

	FY24	FY25	% Chg.	Fiscal 2026			Fiscal 2027		
US301 Revenues	$ 25.4	$ 27.7	9.1%	$ 31.0	**$ 31.0**	12.0%	$ 34.8	**$ 34.8**	12.0%
TOTAL	$ 638.7	$ 634.5	-0.7%	$ 700.1	**$ 711.8**	12.2%	$ 741.2	**$ 741.2**	4.1%

DELAWARE DEPARTMENT OF TRANSPORTATION
Transportation Trust Fund Revenues

	Fiscal 2028			Fiscal 2029			Fiscal 2030			Fiscal 2031			Fiscal 2032		
	3/16/2026 Approved	**5/18/2026 Recomm**	% Chg. FY 26	3/16/2026 Approved	**5/18/2026 Recomm**	% Chg. FY 27	3/16/2026 Approved	**5/18/2026 Recomm**	% Chg. FY 28	3/16/2026 Approved	**5/18/2026 Recomm**	% Chg. FY 29	3/16/2026 Approved	**5/18/2026 Recomm**	% Chg. FY 30
TOLL ROAD REVENUES:															
I95 Newark Plaza	$166.0	**$166.0**	1.1%	$167.9	**$167.9**	1.1%	$169.8	**$169.8**	1.1%	$171.7	**$171.7**	1.1%	$173.6	**$173.6**	1.1%
Route 1 Toll Road	$103.2	**$103.2**	4.9%	$104.1	**$104.1**	0.9%	$104.9	**$104.9**	0.8%	$105.8	**$105.8**	0.9%	$106.7	**$106.7**	0.8%
Concessions	$2.5	**$2.5**	4.2%	$2.5	**$2.5**	0.0%	$2.5	**$2.5**	0.0%	$2.5	**$2.5**	0.0%	$2.5	**$2.5**	0.0%
Total Toll Road Revenues	$271.7	**$271.7**	2.5%	$274.5	**$274.5**	1.0%	$277.2	**$277.2**	1.0%	$280.0	**$280.0**	1.0%	$282.8	**$282.8**	1.0%
MOTOR FUEL TAX ADMIN.	$124.6	**$124.6**	-2.0%	$122.1	**$122.1**	-2.0%	$119.7	**$119.7**	-2.0%	$117.3	**$117.3**	-2.0%	$113.5	**$113.5**	-3.2%
DIVISION OF MOTOR VEHICLES															
Motor Vehicle Document Fees	$190.8	**$190.8**	1.2%	$193.1	**$193.1**	1.2%	$195.5	**$195.5**	1.2%	$197.9	**$197.9**	1.2%	$200.3	**$200.3**	1.2%
Motor Vehicle Registration Fees	$65.0	**$65.0**	1.6%	$65.9	**$65.9**	1.4%	$66.9	**$66.9**	1.5%	$67.9	**$67.9**	1.5%	$68.9	**$68.9**	1.5%
Other DMV Revenues	$43.5	**$43.5**	0.5%	$43.7	**$43.7**	0.5%	$43.9	**$43.9**	0.5%	$44.1	**$44.1**	0.5%	$44.3	**$44.3**	0.5%
Alternative Fuel Vehicle Fees	$5.5	**$5.5**	34.3%	$7.2	**$7.2**	30.5%	$9.1	**$9.1**	26.8%	$11.3	**$11.3**	24.1%	$13.5	**$13.5**	20.4%
Total DMV Revenues	$304.8	**$304.8**	1.6%	$309.9	**$309.9**	1.7%	$315.4	**$315.4**	1.8%	$321.2	**$321.2**	1.8%	$327.0	**$327.0**	1.8%
OTHER TRANSPORTATION REV.															
Other Transportation Rev	$9.3	**$9.3**	0.0%	$9.3	**$9.3**	0.0%	$9.3	**$9.3**	0.0%	$9.3	**$9.3**	0.0%	$9.3	**$9.3**	0.0%
Investment Income(Net)	$5.0	**$5.0**	0.0%	$5.0	**$5.0**	0.0%	$5.0	**$5.0**	0.0%	$5.0	**$5.0**	0.0%	$5.0	**$5.0**	0.0%
Total Other Transp. Revenue	$14.3	**$14.3**	0.0%	$14.3	**$14.3**	0.0%	$14.3	**$14.3**	0.0%	$14.3	**$14.3**	0.0%	$14.3	**$14.3**	0.0%
GRAND TOTAL	$715.4	**$715.4**	1.3%	$720.8	**$720.8**	0.8%	$726.6	**$726.6**	0.8%	$732.8	**$732.8**	0.9%	$737.6	**$737.6**	0.7%
		$0.0			$0.0			$0.0			$0.0			$0.0	
	Fiscal 2028			**Fiscal 2029**			**Fiscal 2030**			**Fiscal 2031**			**Fiscal 2032**		
US301 Revenues	$ 35.7	**$ 35.7**	2.6%	$ 36.4	**$ 36.4**	2.0%	$ 36.8	**$ 36.8**	1.2%	$ 39.2	**$ 39.2**	6.5%	$ 39.7	**$ 39.7**	1.3%
TOTAL	$ 751.0	**$ 751.0**	1.3%	$ 757.1	**$ 757.1**	0.8%	$ 763.4	**$ 763.4**	0.8%	$ 771.9	**$ 771.9**	1.1%	$ 777.3	**$ 777.3**	0.7%

DELAWARE DEPARTMENT OF TRANSPORTATION
Transportation Trust Fund Revenues
FY 2026 Forecast

	Jun-25 FY 2026 Forecast	Oct-25 FY 2026 Forecast	Dec-25 FY 2026 Forecast	Mar-26 FY 2026 Forecast	May-26 FY 2026 Forecast	Change from March to May	YTD Change FY 2026 Forecast	
TOLL ROAD REVENUES:								
I95 Newark Plaza	$128.7	$154.7	$154.7	$136.7	$136.7	$0.0	$8.0	6.2%
Route 1 Toll Road	$62.6	$86.9	$86.9	$86.9	$98.0	$11.1	$35.4	56.5%
Concessions	$2.4	$2.4	$2.4	$2.4	$2.4	$0.0	$0.0	0.0%
Total Toll Road Revenues	**$193.7**	**$244.0**	**$244.0**	**$226.0**	**$237.1**	$11.1	$43.4	22.4%
MFTA REVENUES	**$129.7**	**$129.7**	**$129.7**	**$129.7**	**$129.7**	$0.0	$0.0	0.0%
DIVISION OF MOTOR VEHICLES								
Motor Vehicle Document Fees	$151.2	$171.7	$171.7	$171.7	$171.7	$0.0	$20.5	13.6%
Motor Vehicle Registration Fees	$63.1	$63.1	$63.1	$62.8	$62.8	$0.0	($0.3)	-0.5%
Other Transportation Revenues	$42.2	$42.9	$42.9	$42.9	$42.9	$0.0	$0.7	1.7%
Alternative Fuel Vehicle Fees	$0.0	$2.6	$2.6	$2.6	$2.6	$0.0	$2.6	0.0%
Total DMV Revenues	**$256.5**	**$280.3**	**$280.3**	**$280.0**	**$280.0**	$0.0	$23.5	9.2%
OTHER TRANSPORTATION REV.								
Other Transportation Rev.	$9.2	$15.2	$15.2	$25.2	$25.2	$0.0	$16.0	173.9%
Investment Income	$5.0	$5.0	$7.0	$8.2	$8.7	$0.5	$3.7	74.0%
Total Other Transportation Rev.	**$14.2**	**$20.2**	**$22.2**	**$33.4**	**$33.9**	$0.5	$19.7	138.7%
US301 Toll Revenue	**$28.0**	**$33.0**	**$33.0**	**$31.0**	**$31.0**	$0.0	$3.0	10.9%
GRAND TOTAL	**$622.1**	**$707.2**	**$709.2**	**$700.1**	**$711.8**	$11.6	$89.7	14.4%
Percent Change in Forecast		**13.7%**	**0.3%**	**-1%**	**1.7%**			
Dollar Change in Forecast		**$85.1**	**$2.0**	**($9.1)**	**$11.6**			

DELAWARE DEPARTMENT OF TRANSPORTATION
Transportation Trust Fund Revenues
FY 2027 Forecast

	Jun-25 FY 2027 Forecast	Oct-25 FY 2027 Forecast	Dec-25 FY 2027 Forecast	Mar-26 FY 2027 Forecast	May-26 FY 2027 Forecast	Change from March to May	YTD Change FY 2027 Forecast	
TOLL ROAD REVENUES:								
I95 Newark Plaza	$142.2	$164.2	$164.2	$164.2	$164.2	$0.0	$22.0	15.5%
Route 1 Toll Road	$63.4	$98.4	$98.4	$98.4	$98.4	$0.0	$35.0	55.2%
Concessions	$2.5	$2.5	$2.5	$2.5	$2.5	$0.0	$0.0	0.0%
Total Toll Road Revenues	**$208.1**	**$265.1**	**$265.1**	**$265.1**	**$265.1**	$0.0	$57.0	27.4%
MFTA REVENUES	**$127.1**	**$127.1**	**$127.1**	**$127.1**	**$127.1**	$0.0	$0.0	0.0%
DIVISION OF MOTOR VEHICLES								
Motor Vehicle Document Fees	$153.5	$188.5	$188.5	$188.5	$188.5	$0.0	$35.0	22.8%
Motor Vehicle Registration Fees	$64.0	$64.0	$64.0	$64.0	$64.0	$0.0	$0.0	0.0%
Other Transportation Revenues	$42.4	$43.3	$43.3	$43.3	$43.3	$0.0	$0.9	2.1%
Alternative Fuel Vehicle Fees	$0.0	$4.1	$4.1	$4.1	$4.1	$0.0	$4.1	0.0%
Total DMV Revenues	**$259.9**	**$299.9**	**$299.9**	**$299.9**	**$299.9**	$0.0	$40.0	15.4%
OTHER TRANSPORTATION REV.								
Other Transportation Rev.	$9.3	$9.3	$9.3	$9.3	$9.3	$0.0	$0.0	0.0%
Investment Income	$5.0	$5.0	$5.0	$5.0	$5.0	$0.0	$0.0	0.0%
Total Other Transportation Rev.	**$14.3**	**$14.3**	**$14.3**	**$14.3**	**$14.3**	$0.0	$0.0	0.0%
US301 Toll Revenue	**$28.5**	**$34.8**	**$34.8**	**$34.8**	**$34.8**	$0.0	$6.3	22.0%
GRAND TOTAL	**$637.9**	**$741.2**	**$741.2**	**$741.2**	**$741.2**	$0.0	$103.3	16.2%
Percent Change in Forecast		**16.2%**	**0.0%**	**0.0%**	**0.0%**			
Dollar Change in Forecast		**$103.3**	**$0.0**	**$0.0**	**$0.0**			

Motor Fuel Tax Administration Revenues *May-26*

	FY2025	FY2026			FY2027			FY2028		
	ACTUAL	Mar-26	May-26	CHANGE	Mar-26	May-26	CHANGE	Mar-26	May-26	CHANGE
Motor Fuel Revenues	$135.0	$129.7	$129.7	$0.0	$127.1	$127.1	$0.0	$124.6	$124.6	$0.0
GROWTH RATE	-1.8%	-3.9%	-3.9%	0.0%	-2.0%	-2.0%	0.0%	-2.0%	-2.0%	0.0%

TRACKING

		Tracking As Of:			Growth Needed to Hit	Estimate if revenue follows trend:		
	YTD	Mar-26	May-26	CHANGE	May-26	FY26	3 YR AVG.	5 YR AVG.
FY2026	$103.8	-0.8%	0.1%	0.9%	ESTIMATE	$135.1	$134.1	$133.7
FY2025	$103.8				-17.2%			

I-95 Toll and Concession Revenues *May-26*

I-95 Toll Revenues

	FY2025	FY2026			FY2027			FY2028		
	ACTUAL	Mar-26	May-26	CHANGE	Mar-26	May-26	CHANGE	Mar-26	May-26	CHANGE
I-95 Tolls	$121.7	$154.7	$136.7	($18.0)	$164.2	$164.2	$0.0	$166.0	$166.0	$0.0
GROWTH RATE	-8.9%	27.1%	12.3%	14.8%	6.1%	20.1%	14.0%	1.1%	1.1%	0.0%

TRACKING

		Tracking As Of:			Growth Needed to Hit	Estimate if revenue follows trend:		
	YTD	Mar-26	May-26	CHANGE	May-26	FY26	3 YR AVG.	5 YR AVG.
FY2026	$111.3	3.6%	8.1%	4.5%	ESTIMATE	$132.4	$133.2	$132.9
FY2025	$103.0				35.5%			

I-95 Concession Revenues

	FY2025	FY2026			FY2027			FY2028		
	ACTUAL	Mar-26	May-26	CHANGE	Mar-26	May-26	CHANGE	Mar-26	May-26	CHANGE
Concession Revenues	$2.3	$2.4	$2.4	$0.0	$2.5	$2.5	$0.0	$2.5	$2.5	$0.0
GROWTH RATE	-4.6%	3.2%	3.2%	0.0%	4.2%	4.2%	0.0%	0.0%	4.2%	4.2%

TRACKING

		Tracking as of:			Growth Needed to Hit	Estimate if revenue follows trend:		
	YTD	Mar-26	May-26	CHANGE	May-26	FY26	3 YR AVG.	5 YR AVG.
FY2026	$1.9	-1.8%	-5.7%	-3.9%	ESTIMATE	$2.2	$2.3	$2.3
FY2025	$2.0				61.6%			

SR-1 Toll Revenues

May-26

	FY2025	FY2026			FY2027			FY2028		
	ACTUAL	Mar-26	May-26	CHANGE	Mar-26	May-26	CHANGE	Mar-26	May-26	CHANGE
SR-1 Tolls	$59.0	$86.9	$98.0	$11.1	$98.4	$98.4	$0.0	$103.2	$103.2	$0.0
GROWTH RATE	-3.5%	47.3%	66.1%	18.9%	13.3%	0.4%	-12.9%	4.9%	4.9%	0.0%

TRACKING

	Tracking As Of:			Growth Needed to Hit	Estimate if revenue follows trend:		
	YTD	Mar-26	May-26	CHANGE	May-26	FY26	3 YR AVG.	5 YR AVG.
FY2026	$81.6	28.5%	66.1%	37.7%	ESTIMATE	$98.0	$98.8	$98.8
FY2025	$49.1				66.0%			

Document Fee Revenues *May-26*

	FY2025	FY2026			FY2027			FY2028		
	ACTUAL	Mar-26	May-26	CHANGE	Mar-26	May-26	CHANGE	Mar-26	May-26	CHANGE
Doc Fees	$162.4	$171.7	$171.7	$0.0	$188.5	$188.5	$0.0	$190.8	$190.8	$0.0
GROWTH RATE	8.9%	5.7%	5.7%	0.0%	9.8%	9.8%	0.0%	1.2%	1.2%	0.0%

TRACKING

		Tracking As Of:			Growth Needed to Hit	Estimate if revenue follows trend:		
	AMOUNT	Mar-26	May-26	CHANGE	May-26	FY26	3 YR AVG.	5 YR AVG.
FY2026	$147.2	5.6%	7.5%	1.8%	ESTIMATE	$174.6	$174.5	$175.4
FY2025	$137.0				-3.7%			

Registration Fee Revenue

May-26

	FY2025	FY2026			FY2027			FY2028		
	ACTUAL	Mar-26	May-26	CHANGE	Mar-26	May-26	CHANGE	Mar-26	May-26	CHANGE
GROSS AMOUNT	$62.3	$63.1	$62.8	($0.3)	$64.0	$64.0	$0.0	$65.0	$65.0	$0.0
GROWTH RATE	2.2%	1.2%	0.7%	-0.5%	1.4%	1.9%	0.5%	1.6%	1.6%	0.0%

TRACKING

		Tracking As Of:			Growth Needed to Hit	Estimate if revenue follows trend:		
	AMOUNT	Mar-26	May-26	CHANGE	May-26	FY26	3 YR AVG.	5 YR AVG.
FY2026	$50.2	-2.8%	-2.0%	0.8%	ESTIMATE	$61.7	$61.4	$61.3
FY2025	$51.3				13.6%			

Other DMV Fees

May-26

	FY2025	FY2026			FY2027			FY2028		
	ACTUAL	Mar-26	May-26	CHANGE	Mar-26	May-26	CHANGE	Mar-26	May-26	CHANGE
Other DMV Fees	$43.2	$42.9	$42.9	$0.0	$43.3	$43.3	$0.0	$43.5	$43.5	$0.0
GROWTH RATE	7.4%	-0.7%	-0.7%	0.0%	0.9%	0.9%	0.0%	0.5%	0.5%	0.0%

TRACKING

		Tracking As Of:			Growth Needed to Hit	Estimate if revenue follows trend:		
	AMOUNT	Mar-26	May-26	CHANGE	May-26	FY26	3 YR AVG.	5 YR AVG.
FY2026	$36.9	2.7%	2.8%	0.2%	ESTIMATE	$44.4	$44.5	$44.1
FY2025	$35.9				-17.8%			

Alternative Fuel Vehicle Fees

May-26

	FY2025	FY2026			FY2027			FY2028		
	ACTUAL	Mar-26	May-26	CHANGE	Mar-26	May-26	CHANGE	Mar-26	May-26	CHANGE
AFV Fees	$0.0	$2.6	$2.6	$0.0	$4.1	$4.1	$0.0	$5.5	$5.5	$0.0
GROWTH RATE	0.0%	0.0%	0.0%	0.0%	55.9%	55.9%	0.0%	34.3%	34.3%	0.0%

TRACKING

		Tracking As Of:			Growth Needed to Hit	Estimate if revenue follows trend:		
	AMOUNT	Mar-26	May-26	CHANGE	May-26	FY26	3 YR AVG.	5 YR AVG.
FY2026	$2.4	#DIV/0!	0.0%	#DIV/0!	ESTIMATE	0	0	0
FY2025	$0.0				0.0%			

Other Transportation Revenues

May-26

	FY2025	FY2026			FY2027			FY2028		
	ACTUAL	Mar-26	May-26	CHANGE	Mar-26	May-26	CHANGE	Mar-26	May-26	CHANGE
GROSS AMOUNT	$10.2	$15.2	$25.2	$10.0	$9.3	$9.3	$0.0	$9.3	$9.3	$0.0
GROWTH RATE	8.8%	48.6%	146.3%	97.7%	-38.8%	-63.1%	-24.3%	0.0%	0.0%	0.0%

TRACKING

		Tracking As Of:			Growth Needed to Hit	Estimate if revenue follows trend:		
	AMOUNT	Mar-26	May-26	CHANGE	May-26	FY26	3 YR AVG.	5 YR AVG.
FY2026	$20.6	193.2%	206.3%	13.1%	ESTIMATE	$31.3	$29.1	$27.2
FY2025	$6.7				31.8%			

Investment Income

May-26

	FY2025	FY2026			FY2027			FY2028		
	ACTUAL	Mar-26	May-26	CHANGE	Mar-26	May-26	CHANGE	Mar-26	May-26	CHANGE
GROSS AMOUNT	$10.5	$5.0	$8.7	$3.7	$5.0	$5.0	$0.0	$5.0	$5.0	$0.0
GROWTH RATE	-46.0%	-52.6%	-17.5%	35.1%	0.0%	-42.5%	-42.5%	0.0%	0.0%	0.0%

TRACKING

		Tracking As Of:			Growth Needed to Hit	Estimate if revenue follows trend:		
	AMOUNT	Mar-26	May-26	CHANGE	May-26	FY26	3 YR AVG.	5 YR AVG.
FY2026	$7.8	-19.0%	-16.8%	2.2%	ESTIMATE	$8.8	$10.2	$10.1
FY2025	$9.3				-22.2%			

US301 Toll Revenues

May-26

	FY2025	FY2026			FY2027			FY2028		
	ACTUAL	Mar-26	May-26	CHANGE	Mar-26	May-26	CHANGE	Mar-26	May-26	CHANGE
GROSS AMOUNT	$27.7	$33.0	$31.0	($2.0)	$34.8	$34.8	$0.0	$35.7	$35.7	$0.0
GROWTH RATE	9.3%	19.2%	12.0%	-7.2%	5.2%	12.0%	6.8%	2.6%	2.6%	0.0%

TRACKING

		Tracking As Of:			Growth Needed to Hit	Estimate if revenue follows trend:		
	AMOUNT	Mar-26	May-26	CHANGE	May-26	FY26	3 YR AVG.	5 YR AVG.
FY2026	$26.4	-19.0%	12.9%	32.0%	ESTIMATE	$31.3	$31.8	$31.8
FY2025	$23.4				7.0%			

Miscellaneous

DEFAC
Recommended General Fund Revenue Estimate

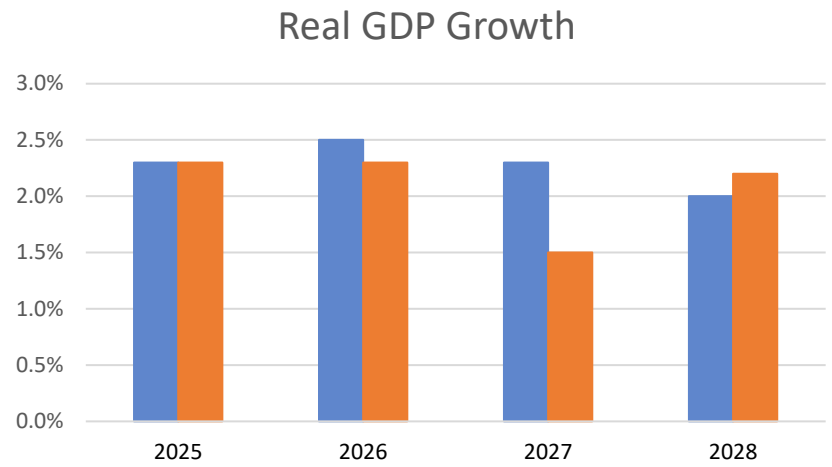
DELAWARE
DEPARTMENT OF
FINANCE

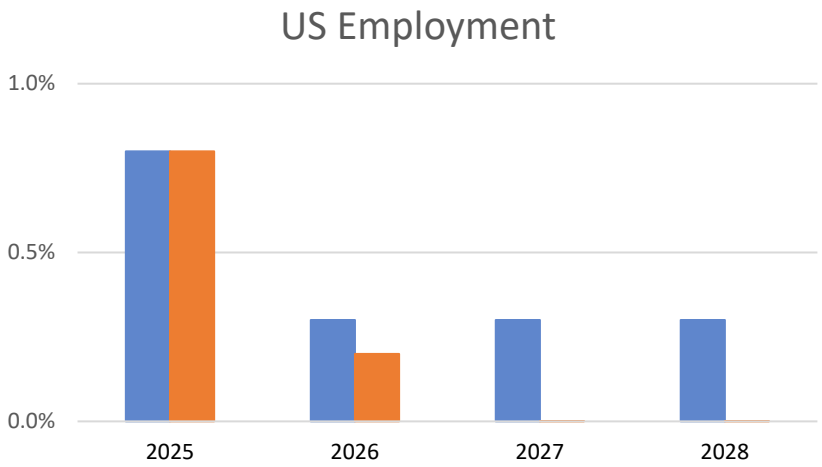
May 18, 2026

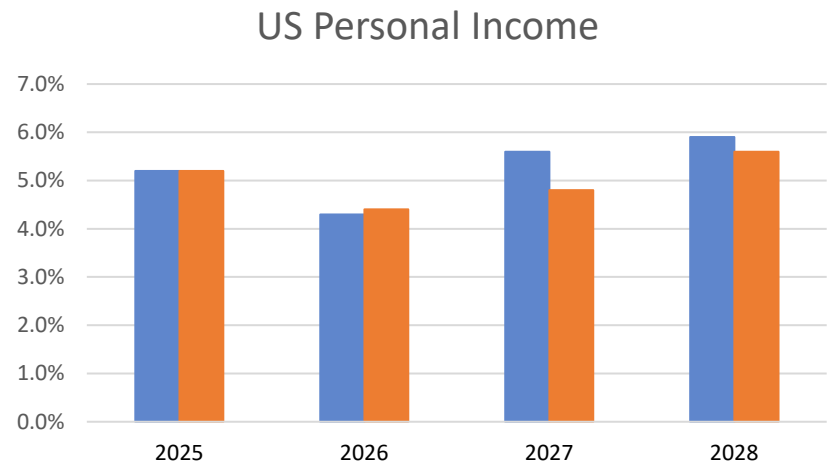
US Economic Outlook

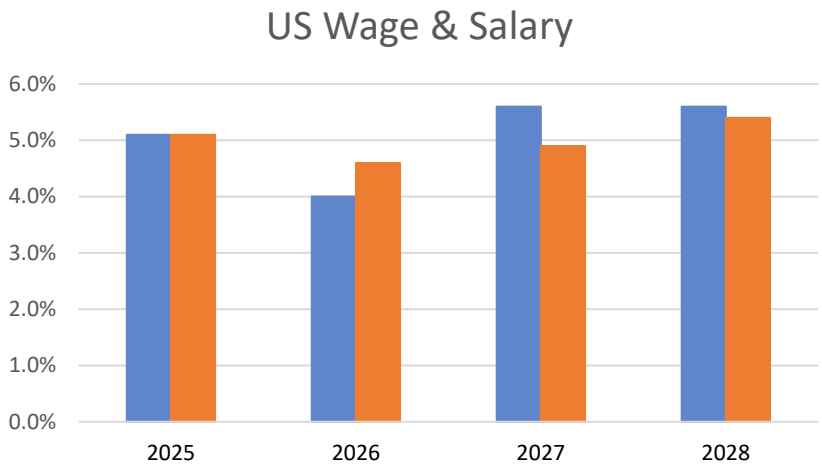
- S&P's May forecast projects slightly weaker real GDP growth for 2026–2027 versus the March outlook
- Core PCE inflation is projected to remain near 3.4%
- Federal Reserve expected to pause rate reductions until at least next June
- Tariff policy expected to remain broadly unchanged, with trade restrictions continuing through alternative policy channels
- Ongoing Iran–U.S. conflict continues to pose risks to oil prices, inflation, supply chains, and broader global economic stability

Lower Growth Expected







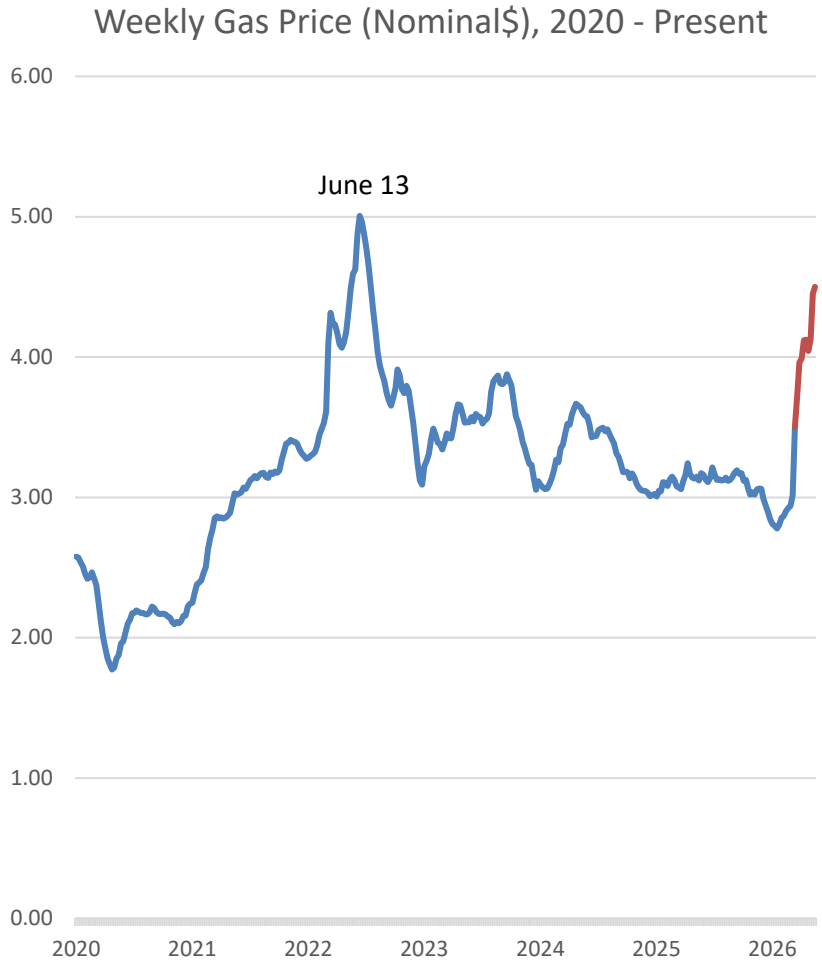


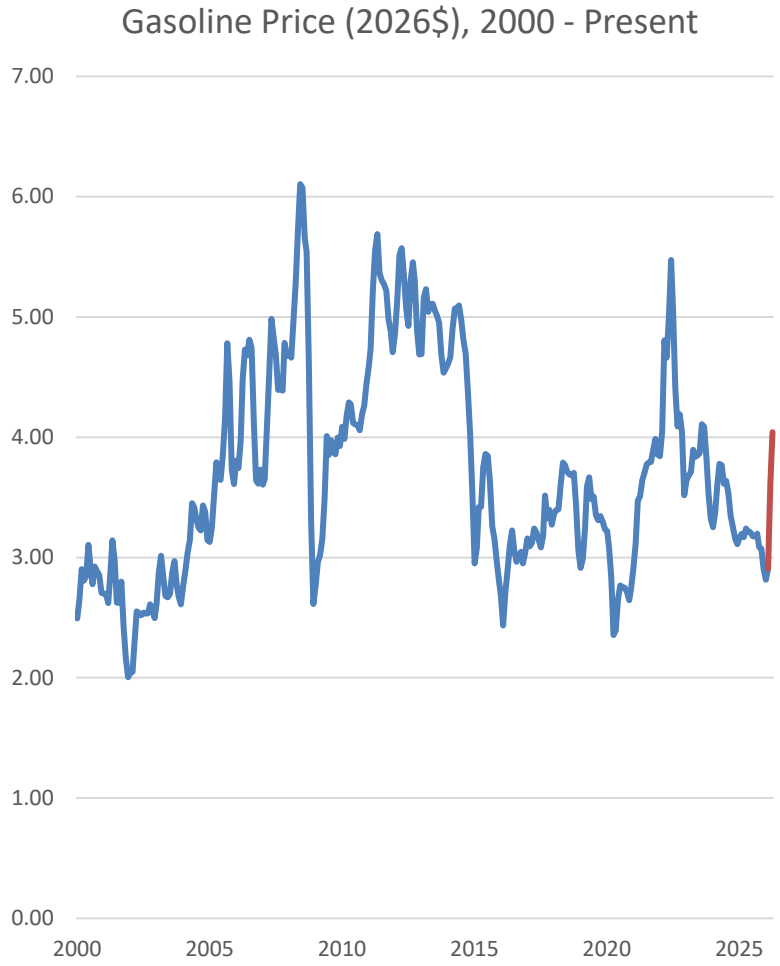
March May

Source: S&P Global, May 6, 2026

DELAWARE DEPARTMENT OF FINANCE

Oil Prices, *UP*dated

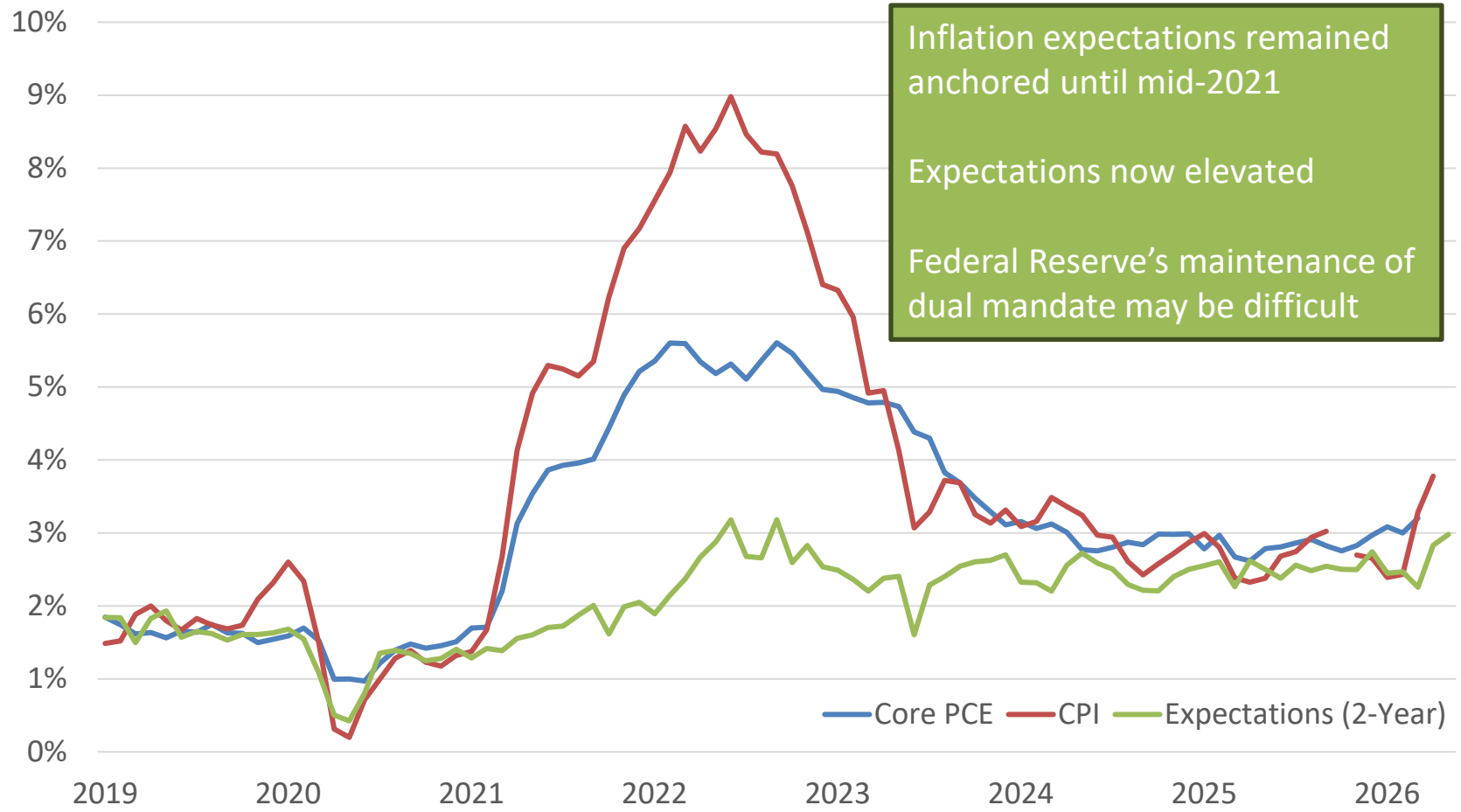




Source: Energy Information Administration

DELAWARE DEPARTMENT OF FINANCE

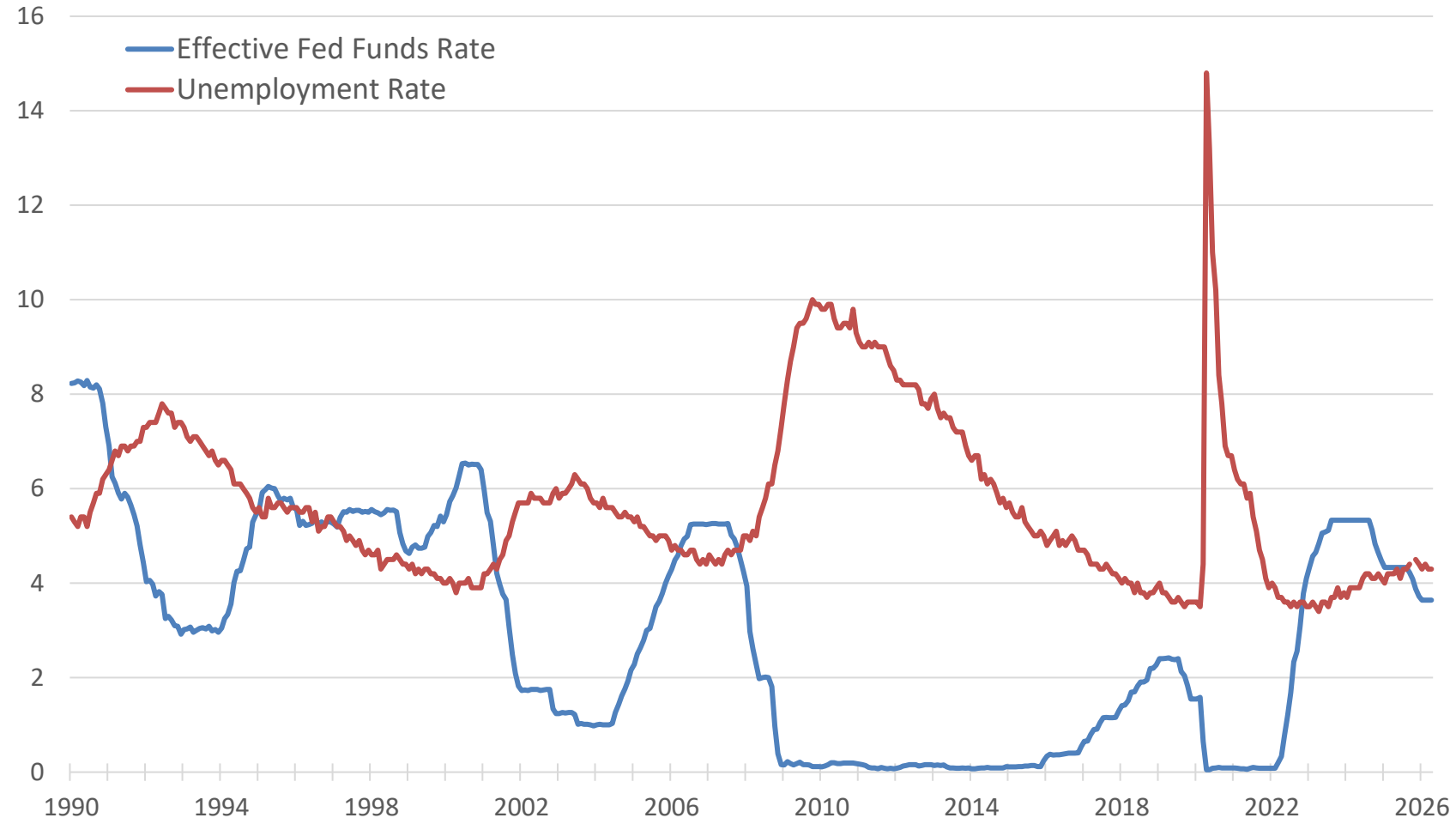
Rising Oil Prices → Inflation → ???



Source: Bureau of Labor Statistics, Federal Reserve Bank of Cleveland

DELAWARE DEPARTMENT OF FINANCE

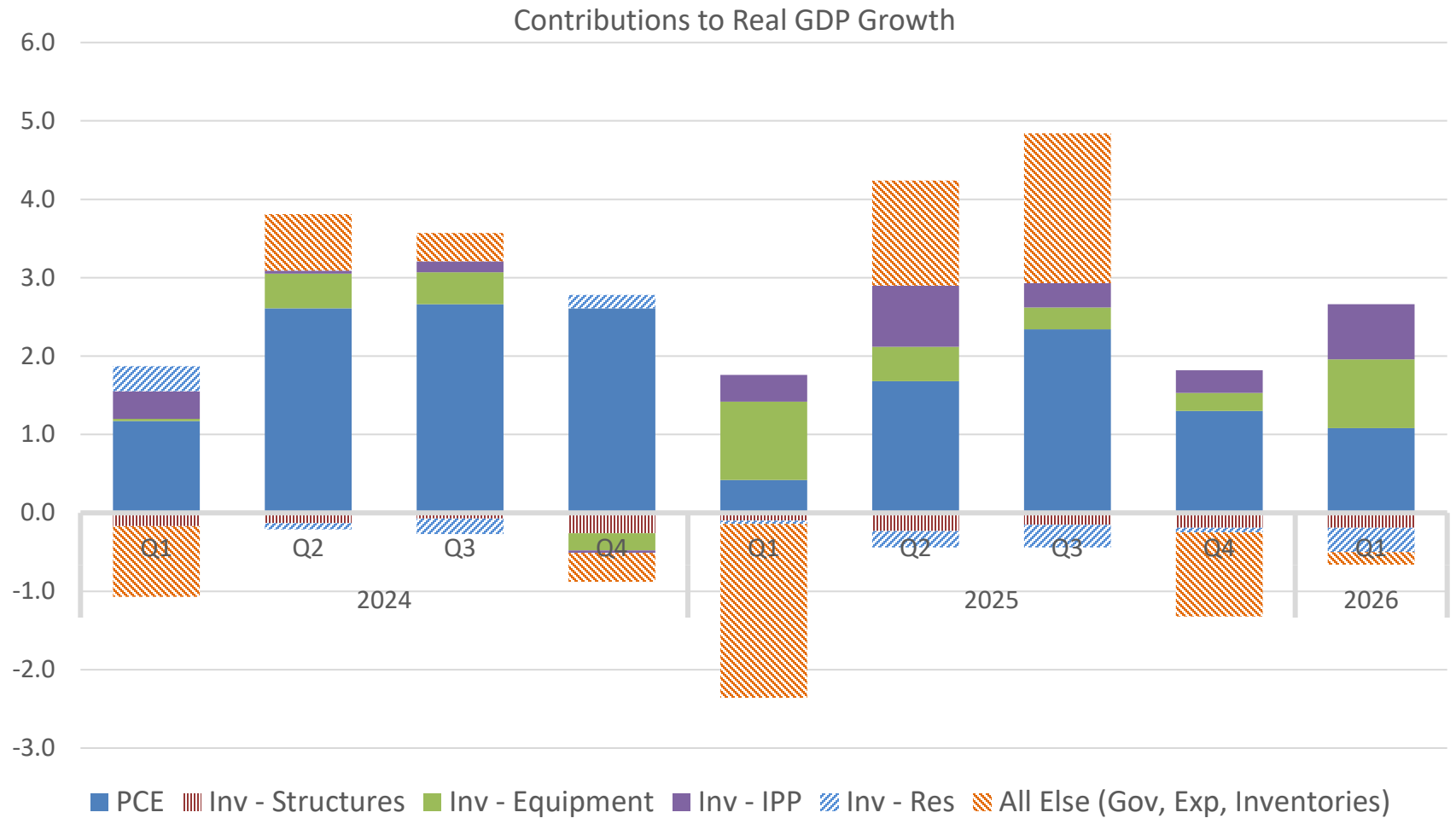
Threading the Needle



Source: Bureau of Labor Statistics, Federal Reserve Bank of New York

DELAWARE DEPARTMENT OF FINANCE

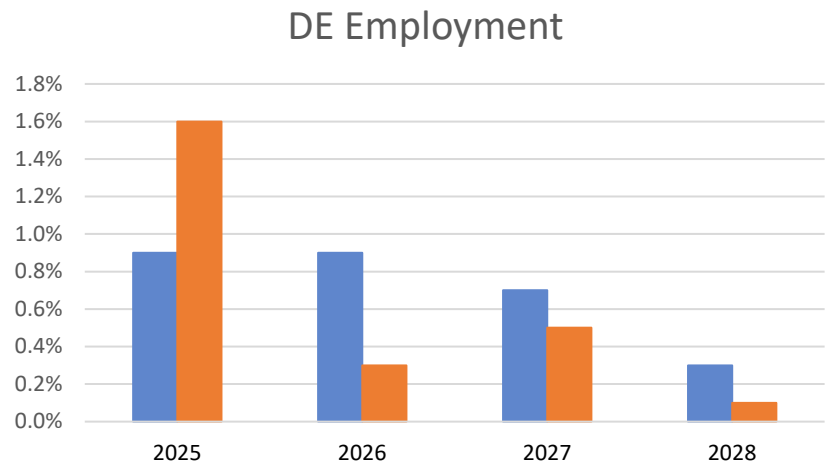
Growth Still Has Support

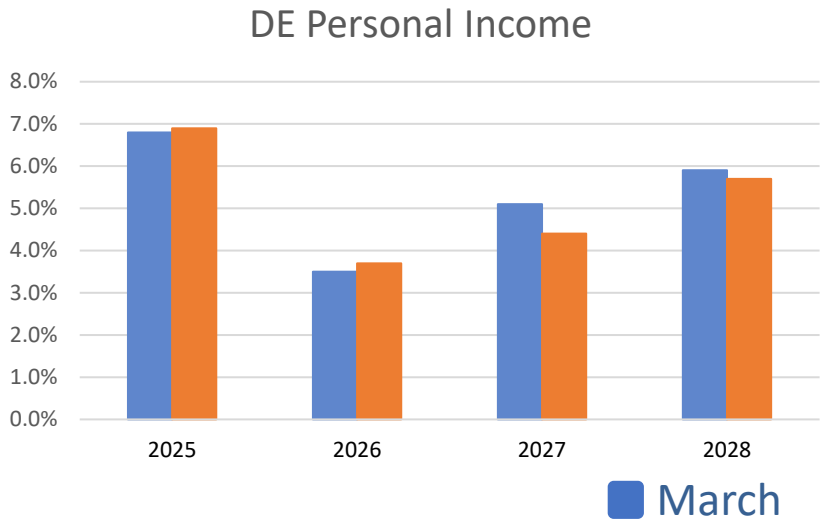


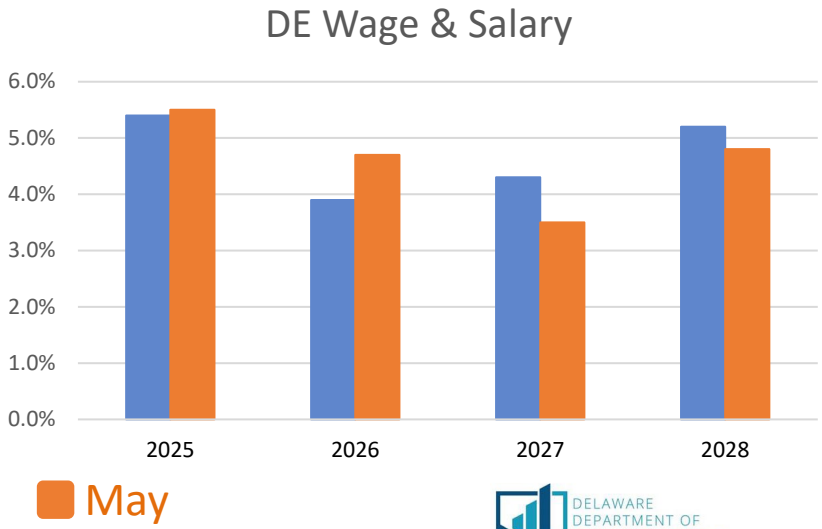
Source: Bureau of Economic Analysis

DELAWARE DEPARTMENT OF FINANCE

Low Growth Remains DE Expectation







March May

DELAWARE DEPARTMENT OF FINANCE

PIT Estimated

$ in millions	FY 2026	FY 2027	FY 2028
Estimate	434.0	446.5	446.4
May Revision	34.0	23.7	0.0
Growth	12.6%	2.9%	0.0%

FY 2026 Growth	
YTD	13.0%
Req'd	11.5%

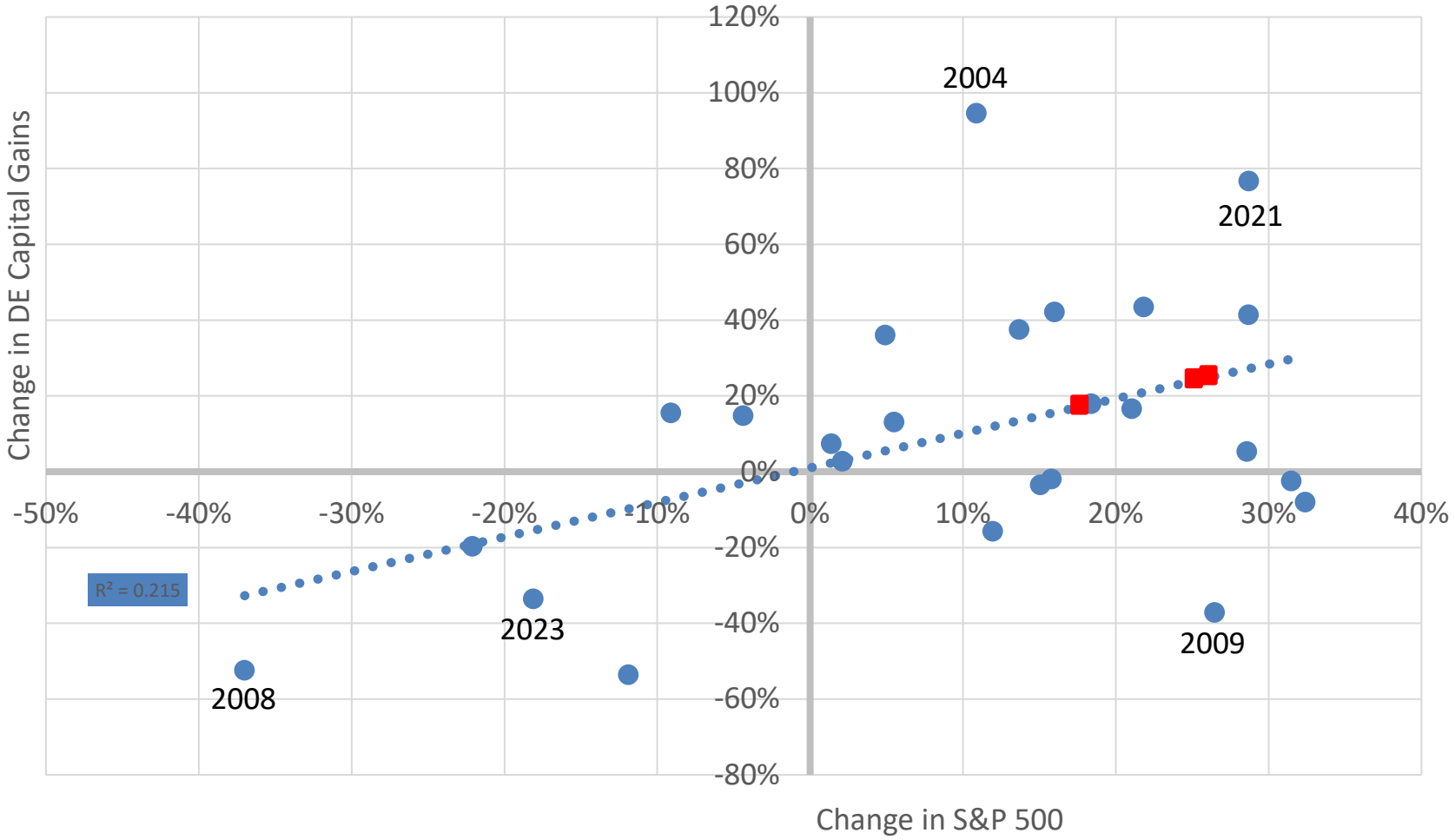
- Non-withheld income appears to have been, and remain, very strong
  - April payments (Q1) up 14%
  - On top of 11.5% growth in TY 2025
- In CY 2025, proprietors' income grew 11.6%, following 27% growth in 2024
- Capital gains unknown, but may be quite large

Market Loosely Drives Gains



Source: S&P Global, IRS *Statistics of Income*

Market Loosely Drives Gains



Source: S&P Global, IRS *Statistics of Income*

PIT Final Payments

$ in millions	FY 2026	FY 2027	FY 2028
Estimate	350.8	326.2	341.4
May Revision	57.4	76.1	79.7
Growth	11.5%	(7.0%)	4.7%

FY 2026 Growth	
YTD	25.1%
Req'd	(14.1%)

- Exceeded March estimate by $46 million by Friday, in part due to 30% increase in returns with payments
- Also speaks to strength of non-withheld income
- Processing has been smooth—no mailroom backlog
- May have seen the last million dollar day
- But, there can always be an extraordinary payment

PIT Refunds

$ in millions	FY 2026	FY 2027	FY 2028
Estimate	(362.7)	(360.5)	(372.4)
May Revision	(74.2)	(93.2)	(103.5)
Growth	8.3%	(0.6%)	3.3%

FY 2026 Growth	
YTD	0.9%
Req'd	40.5%

- Typically use monthly and daily tracking as primary tool at this point
- TCJA, pandemic, and IRAS implementation make it very difficult to know what a normal year is
- Refunds will exceed the estimate sometime this week if they haven't already
- Remaining refunds are generally higher dollar

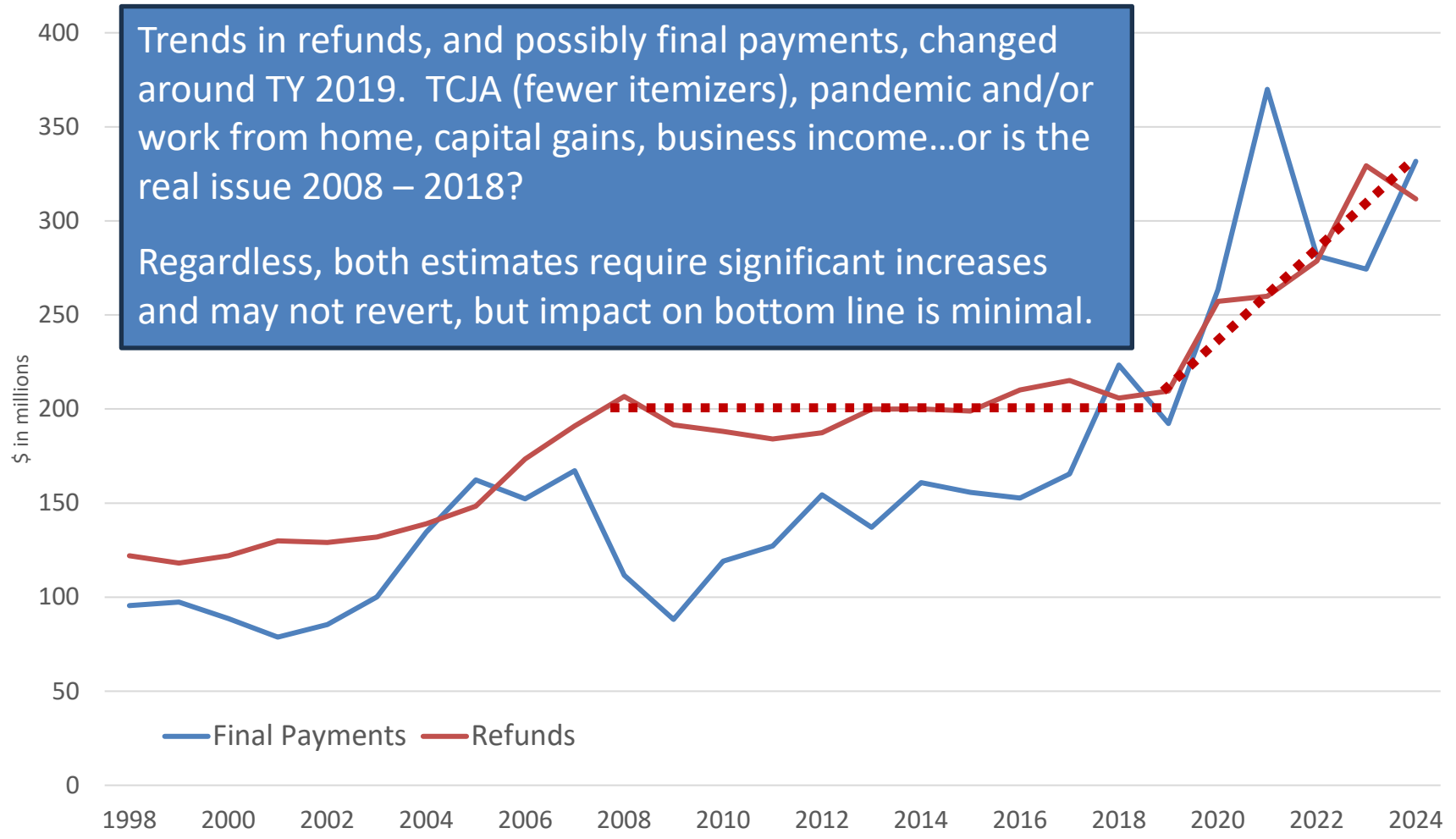
Net Personal Income Tax

$ in millions	FY 2026	FY 2027	FY 2028
Estimate	2,570.5	2,659.4	2,779.5
May Revision	17.2	6.6	(39.5)
Growth	7.9%	3.5%	4.5%

FY 2026 Growth	
YTD	5.8%
Req'd	0.4%

- Modest reduction to withholding in FY 2028
- Significant, largely offsetting increases to settlements
- May be that payment patterns have changed and/or uncertainty with respect to liability has increased
- Forecasts have been expecting heightened final payments and refunds to revert, but they may not

Settlements Have Grown

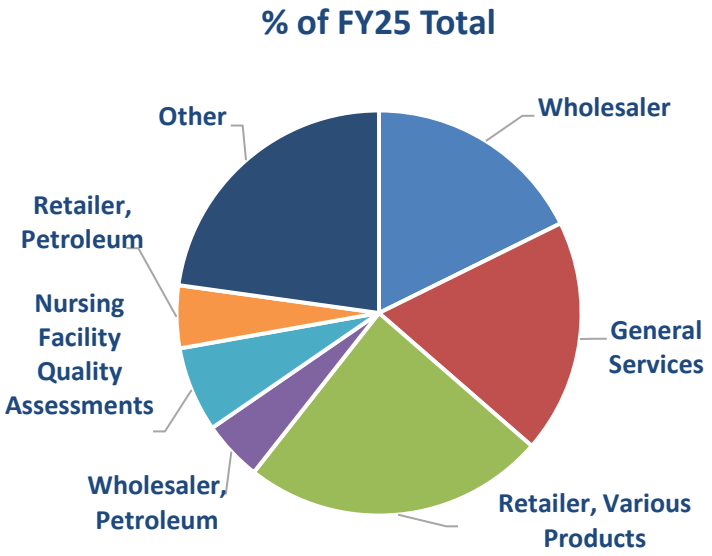


Gross Receipts Tax

$ in millions	FY 2026	FY 2027	FY 2028
Estimate	449.5	459.4	481.0
May Revision	12.4	29.8	31.0
Growth	15.7%	2.2%	4.7%

FY 2026 Growth	
YTD	15.7%
Req'd	15.6%

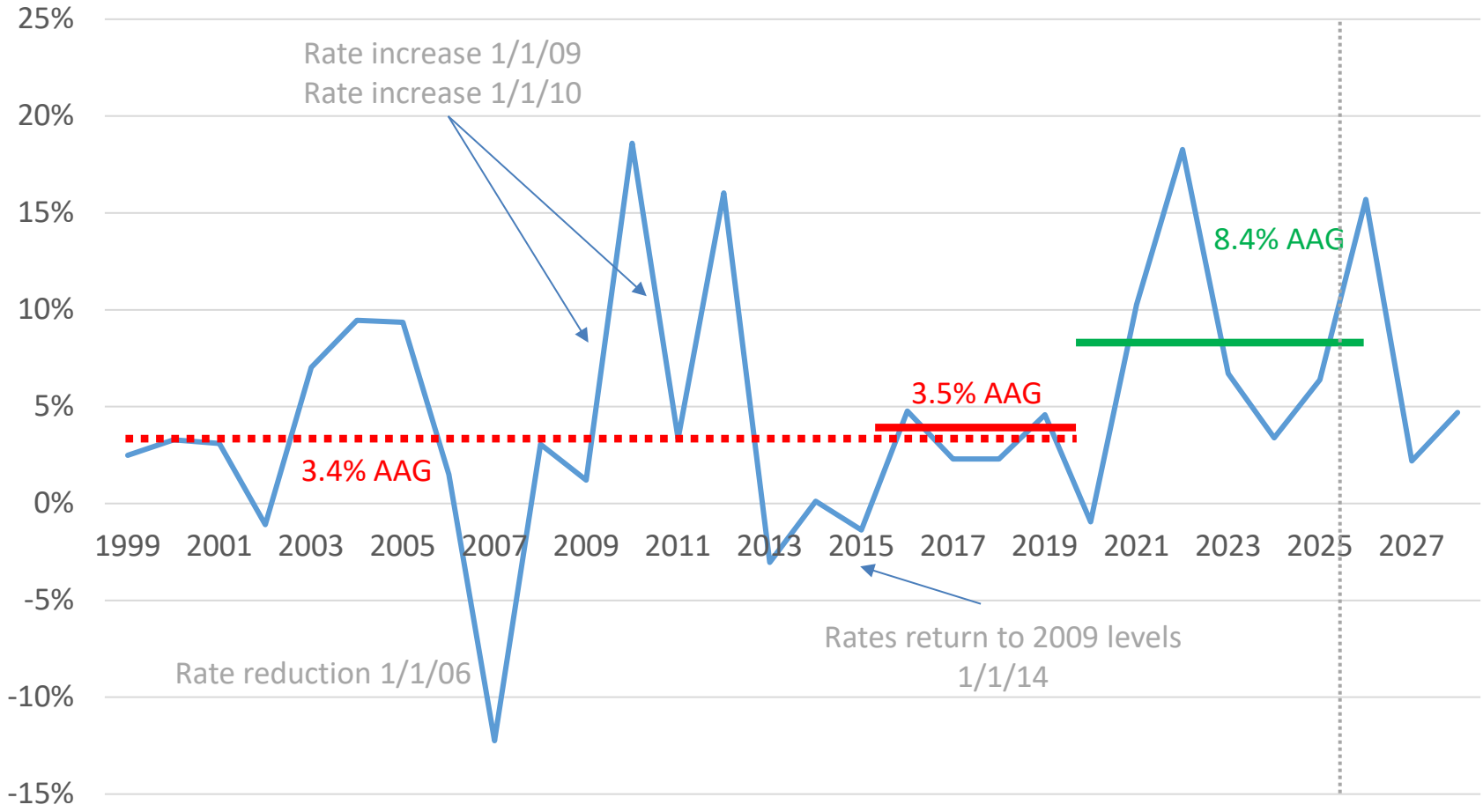
- Strong YTD growth is widespread—general inflation, oil prices, 100% depreciation, AI investment (?) and tech more generally



Type	FY26 Growth
Wholesaler	22.4%
General Services	18.4%
Retailer, Various Products	10.8%
Wholesaler, Petroleum	24.4%
Nursing Facility Quality Assessments	15.1%
Retailer, Petroleum	5.8%
Other	2.6%

DELAWARE DEPARTMENT OF FINANCE

New Normal for GRT?



DELAWARE DEPARTMENT OF FINANCE

Corporate Income Tax

$ in millions	FY 2026	FY 2027	FY 2028
Estimate	443.0	335.0	362.4
May Revision	29.7	0.0	0.0
Growth	(2.1%)	(24.4%)	8.2%

FY 2026 Growth	
YTD	(2.1%)
Req'd	(2.0%)

- Small number of extraordinary transactions affect both gross receipts and refunds, but largely offset
- Otherwise, still tracking to forecast
- Just now receiving the first returns with decoupling
  - Most use filing extension (Oct); ≈75% are on a CY tax year
  - Won't be until around this time next year we have a reasonable representation of a full year

Insurance Taxes and Fees

$ in millions	FY 2026	FY 2027	FY 2028
Estimate	96.8	121.6	119.8
May Revision	13.5	20.4	27.9
Growth	(0.2%)	25.6%	(1.5%)

FY 2026 Growth	
YTD	9.2%
Req'd	40.9%

- Forecast based on consultants' model, using premium tax return data
- Due date is generally March 1
- Large shift accounts for tax year 2025 returns
- Significant special funds are collected as well; growth required is distorted due to statutory change in the timing of those transfers starting last year

DELAWARE DEPARTMENT OF FINANCE

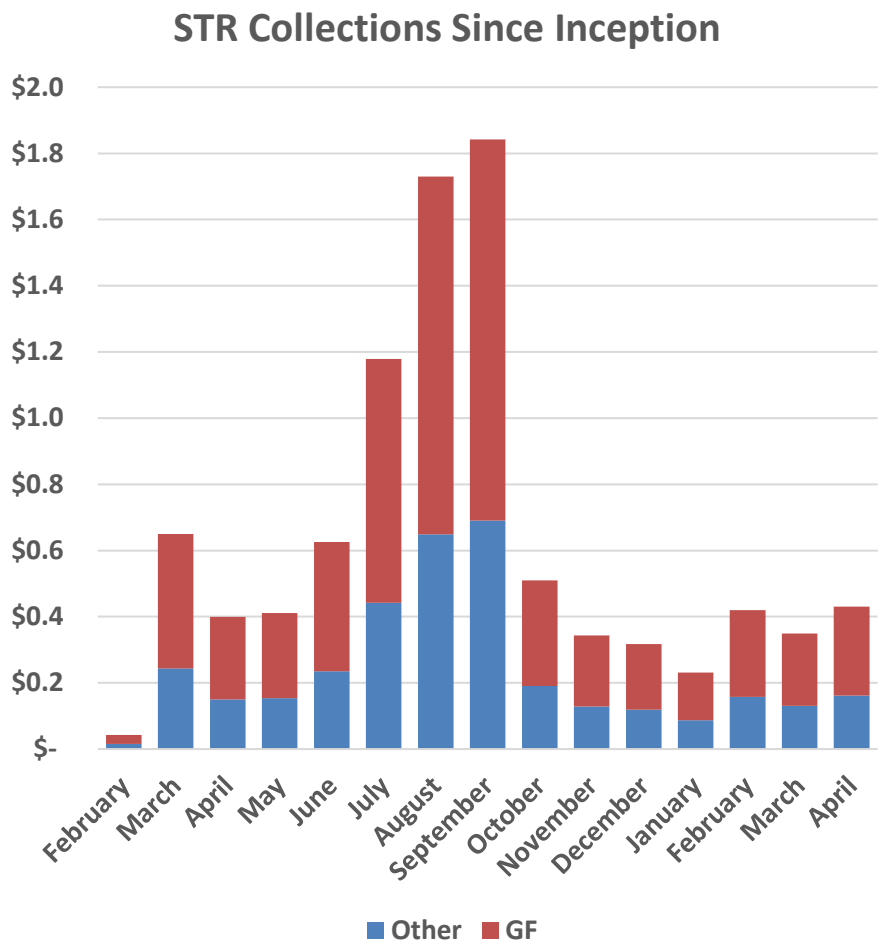
Dividends and Interest

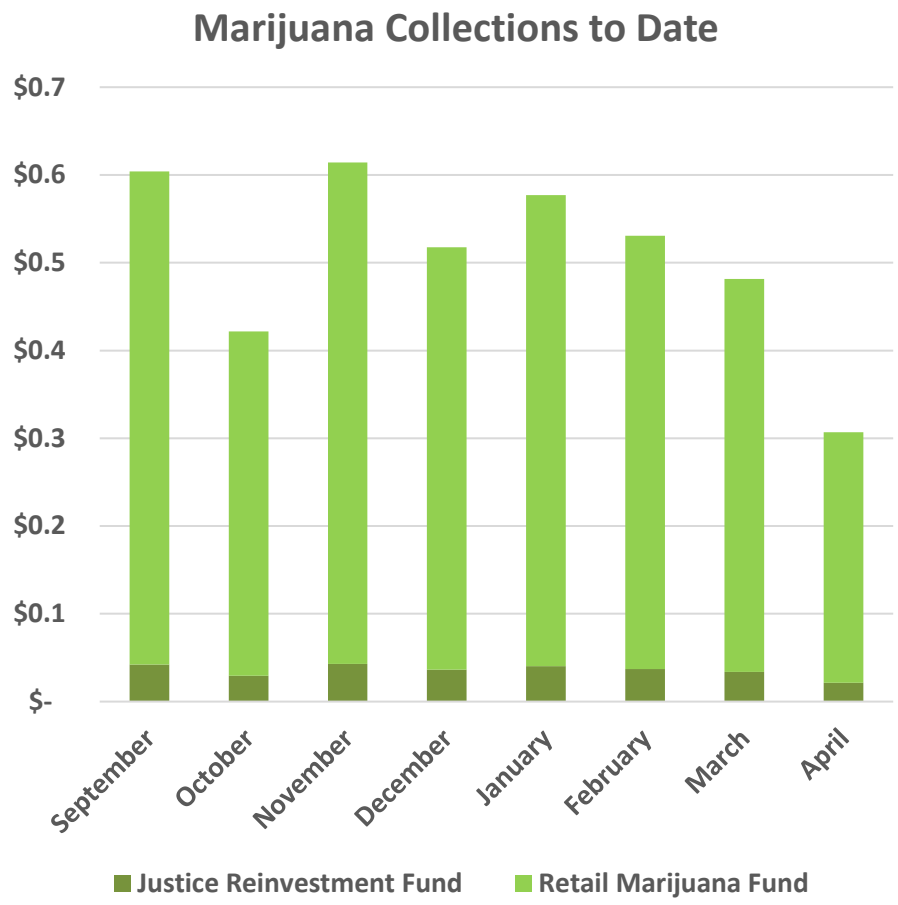
$ in millions	FY 2026	FY 2027	FY 2028
Estimate	183.6	152.2	122.0
May Revision	3.1	12.0	(7.8)
Growth	10.9%	(17.1%)	(19.8%)

FY 2026 Growth	
YTD	19.3%
Req'd	(18.7%)

- Fed did not cut in May, citing the need to further assess incoming inflation and employment data
- Latest employment report was stronger than expected, allowing the Fed to hold rates higher longer to combat sticky inflation
- Treasury yields have risen recently with the 10-year treasury rising 10 bps to approximately 4.40%, as markets are no longer certain which direction the Fed's next rate move may go
- As a result, fixed income assets had slightly negative returns in April
- The current 1-year rate expectation remains at 3.26% for 2026

New Revenues





DELAWARE DEPARTMENT OF FINANCE

Fiscal Year 2026 Recommended Forecast

May-26 DEFAC Meeting	FY 2025	FY 2026				
	A	B	C	D	E	F
	Actual	DEFAC	%	DEFAC	%	$ Increase
Revenue Category	Collections	Mar-26	B over A	May-26	D over A	D over B
Personal Income Tax	**2,718.2**	**2,841.8**	**4.5%**	**2,933.2**	**7.9%**	**91.4**
Less: Refunds	**(335.0)**	**(288.5)**	**-13.9%**	**(362.7)**	**8.3%**	**(74.2)**
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	(20.2)	(22.0)	9.0%	(22.0)	9.0%	0.0
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	(128.0)	(168.0)	31.2%	(168.0)	31.2%	0.0
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	(81.1)	(68.0)	-16.1%	(95.0)	17.2%	(27.0)
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	(12.2)	(14.7)	20.9%	(12.0)	-1.3%	2.7
Net Receipts	**6,694.3**	**6,896.5**	**3.0%**	**7,000.7**	**4.6%**	**104.2**

Fiscal Year 2027 Recommended Forecast

May-26 DEFAC Meeting	FY 2026	FY 2027				
	D	G	H	I	J	K
	DEFAC	DEFAC	%	DEFAC	%	$ Increase
Revenue Category	May-26	Mar-26	G over B	May-26	I over D	I over G
Personal Income Tax	**2,933.2**	**2,920.1**	**2.8%**	**3,019.9**	**3.0%**	**99.8**
Less: Refunds	**(362.7)**	**(267.3)**	**-7.3%**	**(360.5)**	**-0.6%**	**(93.2)**
PIT Less Refunds	**2,570.5**	**2,652.8**	**3.9%**	**2,659.4**	**3.5%**	**6.6**
Franchise Tax	1,338.0	1,328.9	0.0%	1,338.0	0.0%	9.1
Limited Partnerships & LLC's	575.0	557.0	1.1%	575.0	0.0%	18.0
Subtotal Franchise + LP/LLC	1,913.0	1,885.9	0.3%	1,913.0	0.0%	27.1
Less: Refunds	(22.0)	(10.0)	-54.5%	(10.0)	-54.5%	0.0
Net Franchise + LP/LLC	1,891.0	1,875.9	1.0%	1,903.0	0.6%	27.1
Business Entity Fees	**185.0**	**171.0**	**0.0%**	**175.0**	**-5.4%**	**4.0**
Uniform Commercial Code	**35.0**	**32.0**	**0.0%**	**33.0**	**-5.7%**	**1.0**
Unclaimed Property	554.0	554.0	0.0%	554.0	0.0%	0.0
Less: Refunds	(168.0)	(130.0)	-22.6%	(130.0)	-22.6%	0.0
Unclaimed Prop Less Refunds	386.0	424.0	9.8%	424.0	9.8%	0.0
Gross Receipts Tax	**449.5**	**429.6**	**-1.7%**	**459.4**	**2.2%**	**29.8**
Lottery	**256.3**	**261.7**	**1.6%**	**260.4**	**1.6%**	**(1.3)**
Corporation Income Tax	443.0	335.0	-18.9%	335.0	-24.4%	0.0
Less: Refunds	(95.0)	(91.8)	35.0%	(91.8)	-3.4%	0.0
CIT Less Refunds	348.0	243.2	-29.6%	243.2	-30.1%	0.0
Realty Transfer Tax	**247.9**	**267.5**	**7.9%**	**257.8**	**4.0%**	**(9.7)**
Cigarette Taxes	**82.4**	**78.3**	**-5.0%**	**78.3**	**-5.0%**	**0.0**
Bank Franchise Tax	99.4	104.5	6.0%	106.0	6.6%	1.5
Insurance Taxes and Fees	96.8	101.2	21.5%	121.6	25.6%	20.4
Hospital Board and Treatment	22.1	21.4	0.0%	21.4	-3.2%	0.0
Public Utility Tax	**38.1**	**34.5**	**-5.5%**	**36.1**	**-5.2%**	**1.6**
Alcoholic Beverage Tax	**31.4**	**31.4**	**0.0%**	**31.4**	**0.0%**	**0.0**
Dividends and Interest	**183.6**	**140.2**	**-22.3%**	**152.2**	**-17.1%**	**12.0**
Other Revenues	**89.7**	**90.6**	**1.8%**	**92.5**	**3.1%**	**1.9**
Less: Other Refunds	(12.0)	(16.2)	10.2%	(15.3)	27.5%	0.9
Net Receipts	**7,000.7**	**6,943.6**	**0.7%**	**7,039.4**	**0.6%**	**95.8**

Fiscal Year 2028 Recommended Forecast

May-26 DEFAC Meeting	FY 2027	FY 2028				
	I	L	M	N	O	P
	DEFAC	DEFAC	%	DEFAC	%	$ Increase
Revenue Category	May-26	Mar-26	L over G	May-26	N over I	N over L
Personal Income Tax	**3,019.9**	**3,087.9**	**5.7%**	**3,151.9**	**4.4%**	**64.0**
Less: Refunds	**(360.5)**	**(268.9)**	**0.6%**	**(372.4)**	**3.3%**	**(103.5)**
PIT Less Refunds	**2,659.4**	**2,819.0**	**6.3%**	**2,779.5**	**4.5%**	**(39.5)**
Franchise Tax	1,338.0	1,328.9	0.0%	1,338.0	0.0%	9.1
Limited Partnerships & LLC's	575.0	557.0	0.0%	575.0	0.0%	18.0
Subtotal Franchise + LP/LLC	1,913.0	1,885.9	0.0%	1,913.0	0.0%	27.1
Less: Refunds	(10.0)	(10.0)	0.0%	(10.0)	0.0%	0.0
Net Franchise + LP/LLC	1,903.0	1,875.9	0.0%	1,903.0	0.0%	27.1
Business Entity Fees	**175.0**	**171.0**	**0.0%**	**175.0**	**0.0%**	**4.0**
Uniform Commercial Code	**33.0**	**32.0**	**0.0%**	**33.0**	**0.0%**	**1.0**
Unclaimed Property	554.0	525.0	-5.2%	525.0	-5.2%	0.0
Less: Refunds	(130.0)	(130.0)	0.0%	(130.0)	0.0%	0.0
Unclaimed Prop Less Refunds	424.0	395.0	-6.8%	395.0	-6.8%	0.0
Gross Receipts Tax	**459.4**	**450.0**	**4.7%**	**481.0**	**4.7%**	**31.0**
Lottery	**260.4**	**265.6**	**1.5%**	**264.3**	**1.5%**	**(1.3)**
Corporation Income Tax	335.0	362.4	8.2%	362.4	8.2%	0.0
Less: Refunds	(91.8)	(80.0)	-12.9%	(80.0)	-12.9%	0.0
CIT Less Refunds	243.2	282.4	16.1%	282.4	16.1%	0.0
Realty Transfer Tax	**257.8**	**278.2**	**4.0%**	**268.1**	**4.0%**	**(10.1)**
Cigarette Taxes	**78.3**	**74.4**	**-5.0%**	**74.4**	**-5.0%**	**0.0**
Bank Franchise Tax	106.0	106.7	2.1%	108.2	2.1%	1.5
Insurance Taxes and Fees	121.6	91.9	-9.2%	119.8	-1.5%	27.9
Hospital Board and Treatment	21.4	21.0	-1.9%	21.0	-1.9%	0.0
Public Utility Tax	**36.1**	**33.8**	**-2.0%**	**35.3**	**-2.2%**	**1.5**
Alcoholic Beverage Tax	**31.4**	**31.4**	**0.0%**	**31.4**	**0.0%**	**0.0**
Dividends and Interest	**152.2**	**129.8**	**-7.4%**	**122.0**	**-19.8%**	**(7.8)**
Other Revenues	**92.5**	**92.1**	**1.7%**	**94.0**	**1.6%**	**1.9**
Less: Other Refunds	(15.3)	(16.9)	4.3%	(15.9)	3.9%	1.0
Net Receipts	**7,039.4**	**7,133.3**	**2.7%**	**7,171.5**	**1.9%**	**38.2**

Balance & Appropriations

FY 2026 EXPENDITURES

Total Spending Authority	$8,752.0
Less: Continuing Appropriations & Encumbrances from FY25	($1,499.7)
Less: Reversions	($100.0)
Total Expenditures	$7,152.2

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	$1,666.9
Total Spending Authority	$8,752.0

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))	($469.3)
Cumulative Cash Balance	$2,304.5
Less: Continuing Appropriations & Encumbrances from FY 2026	($1,499.7)
Less: Budgetary Reserve Account	($366.5)
Unencumbered Cash Balance 6/30	$438.2

FY 2026 RESERVES (SB 270)

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

FY 2027 APPROPRIATION LIMITS

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



Delaware
DEPARTMENT OF STATE

May DEFAC Meeting

CORPORATE FRANCHISE

STATE OF THE FRANCHISE

CY 2023

New Business Entities.....	298,165
Total LLCs + LPs.....	1,645,537
Total Corporations.....	395,759
Total of "Other".....	29,051
Total Number of Entities.....	2,070,347

CY 2024

New Business Entities.....	289,810
Total LLCs + LPs.....	1,725,935
Total Corporations.....	401,760
Total of "Other".....	29,787
Total Number of Entities.....	2,157,482

CY 2025

New Business Entities.....	334,461
↑ *15.4% Increase from 2024*	
Total LLCs + LPs.....	1,830,190
Total Corporations.....	425,765
Total of "Other".....	31,773
Total Number of Entities.....	2,287,728
↑ *6% Increase from 2024*	

GENERAL FUND REVENUE
Per Fiscal Year

FY2024 →	**$1,986.6B**
FY2025 →	**$2,030.2B**
PROJECTED FY2026 →	**$2,111.0B**

DECEMBER FORECAST

DECEMBER DEFAC

	FY2025 Actual Collections	October DEFAC	December DEFAC	$ Increase Oct - Dec
Franchise Tax	1,324.4	1,328.9	1,328.9	0.0
Limited Partnerships & LLCs	522.1	522.6	551.0	28.4
Business Entity Fees	171.4	167.0	171.0	4.0
Uniform Commercial Code	32.5	30.0	30.0	0.0
				32.4

LLC Projection increased to reflect growth in entities through October 2025.

MARCH FORECAST

MARCH DEFAC

	FY2025 Actual Collections	December DEFAC	March DEFAC	$ Increase Dec - March
Franchise Tax	1,324.4	1,328.9	1,328.9	0.0
Limited Partnerships & LLCs	522.1	551.0	551.0	0.0
Business Entity Fees	171.4	171.0	171.0	0.0
Uniform Commercial Code	32.5	30.0	32.0	2.0
				2.0

No changes made to Franchise Tax projection at DEFAC meetings:

- March 2025
- March 2024
- March 2023

MAY FORECAST

MAY DEFAC

	FY2025 Actual Collections	March DEFAC	May DEFAC	$ Increase March - May	% Increase Over FY25
Franchise Tax	1,324.4	1,328.9	1,338.0	9.1	1.03%
Limited Partnerships & LLCs	522.1	551.0	575.0	24.0	10.13%
Business Entity Fees	171.4	171.0	185.0	14.0	7.93%
Uniform Commercial Code	32.5	32.0	35.0	3.0	7.69%
				50.1	

Changes reflect:

- Update to Franchise Tax projection
- Increased LLC collections through May 2026
- Increased YTD collections for Business Entity Fees and UCC, straight line projection through end of fiscal year.

MAY FORECAST

MAY DEFAC

	FY2025 Actual Collections	May 2026 DEFAC	FY2027 Projection	FY28 Projection
Franchise Tax	1,324.4	1,338.0	1,338.0	1,338.0
Limited Partnerships & LLCs	522.1	575.0	575.0	575.0
Business Entity Fees	171.4	185.0	175.0	175.0
Uniform Commercial Code	32.5	35.0	33.0	33.0

DEFAC Health Care Spending Benchmark Spending Subcommittee Report

April 29, 2026



What Is the Benchmark For?

- A “benchmark” could represent three different concepts:
  - Prediction – how much is health care spending in Delaware *actually expected* to grow this year?
  - Aspiration – how much would health care spending grow if it was growing at the *same rate as the overall economy*?
  - Progress Indicator – what would it look like if Delaware was making *meaningful progress* toward slowing health care cost growth?

- Under current structure, subcommittee is conceiving of the benchmark as a progress indicator



Legislative Mandate

Subcommittee is charged with defining a health care spending benchmark:

- “Spending benchmark” means the target annual per capita growth rate for Delaware’s statewide total health-care spending, expressed as the percentage growth from the prior year’s per capita spending.

Statute defines a particular methodology, and gives the subcommittee authority to adopt alternative methodology:

- § 9903(k)(3): Subject to paragraph (k)(4) of this section, the spending benchmark shall be the per capita potential gross state product (PGSP) growth rate which shall be calculated as follows:
  - a. The sum of the following: the expected growth in national labor force productivity; plus, the expected growth in Delaware’s civilian labor force; plus, the expected national inflation;
  - b. Minus Delaware’s expected population growth.
- § 9903(k)(4): The methodology used to determine the spending benchmark in paragraph (k)(3) of this section are subject to change if the Subcommittee determines that there is a more effective or precise methodology than paragraph (k)(3) of this section.



Recent Statutory Changes

- HB 350 did not change § 9903; included stand-alone instruction to subcommittee to consider certain issues and submit a report:
  - The Delaware Economic and Financial Advisory Council (DEFAC) Health Care Spending Benchmark Subcommittee (Subcommittee) shall review the spending benchmark methodology, as authorized by § 9903(k) of Title 16, and **consider incorporating healthcare and macroeconomic trends** into the benchmark methodology. The Subcommittee shall submit any recommendations to DEFAC by December 31, 2024.
- Report was submitted and recommended:
  - DEFAC and the Subcommittee should consider revising the healthcare spending benchmark to be comprised of equal weightings of the 3-year average of the following:
    - Delaware personal income growth, and
    - Delaware population growth plus the growth in the price index for relevant healthcare Personal Consumption Expenditures (PCE) weighted by total expenditures.

Benchmark Framework

- Since inception, constituent with statute, benchmark structured as:
  - + US Labor Force Growth
  - + DE Labor Force Growth
  - + Inflation
  - - DE Total Population Growth

- Metric used for inflation has changed over time:
  - Historically, used CBO long term inflation prediction of 2%
  - Temporary, manual adjustment in high inflation period
  - Switch in CY 2026 to use average of (1) economy-wide inflation and (2) health inflation captured in National Health Expenditure accounts (specifically, growth in Personal Health Care), based on 2024 report

Blended Methodology Components

NHE projects spending across a variety of categories:

- Personal Health Care: spending on health care goods and services
- Health Consumption Expenditures: Personal Health Care + certain administrative costs
- Total NHE: Health Consumption Expenditures + certain investment costs

Personal Health Care growth used in calendar year 2026 benchmark

Annual % Change	2025	2026	2027	2028	2029	3 –year average (2027-2029)
National Health Expenditures	7.1	5.4	5.7	5.4	5.5	5.5
Health Consumption Expenditures	7.2	5.4	5.8	5.5	5.5	5.6
Personal Health Care	7.1	5.2	5.8	5.4	5.6	5.6

Source: CMS National Health Expenditures, Projections Table 2, Lines 26-28. https://www.cms.gov/data-research/statistics-trends-and-reports/national-health-expenditure-data. See also: https://www.cms.gov/research-statistics-data-and-systems/statistics-trends-and-reports/nationalhealthexpenddata/downloads/projectionsmethodology.pdf.

Blended Methodology

Blended Methodology			2026	2027
			3-year average (2026-2028)	3-year average (2027-2029)
Components	**Source**	**Links**	**Dec-25**	**Apr-26**
Expected growth in national labor force	CBO Data	Key Budget and Econ	1.4%	1.4%
+ expected growth in Delaware's civilian labor force	DE Population Consortium	Annual Projections fr	0.3%	0.3%
+ Average of national inflation and 3-year average of Personal Health Care Growth from NHE	CBO Data - average of 5-10 years in the future Price Index, PCE & NHE Data		3.8%	3.8%
=Nominal PGSP growth			**5.5%**	**5.5%**
-Expected population growth in Delaware	DE Population Consortium	Annual Projections fr	0.6%	0.5%
=PGSP growth			**4.9%**	**5.0%**

*Personal Health Care Growth rate increased 0.1%

*Delaware Population Consortium data has not been updated since 2024, which shows a decrease of 0.1%

Areas of Future Discussion

- Subcommittee intends to reconvene in August 2026
  - Updated CMS National Health Expenditure projections will be published in summer 2026; subcommittee will review changes in updated data
  - Will also compare actual 2026 experience to CY 2026 benchmark
- That conversation will inform development of CY 2028 benchmark
- Subcommittee will report back to DEFAC with any additional observations

FY 2026 Budget Benchmark Index



May 19, 2025

Benchmark Index

May 2025

FY	Income	Deflator	Population	Annual
2025	5.1%	2.4%	0.9%	**4.2%**
2024	5.0%	0.7%	1.1%	**3.4%**
2023	10.1%	4.0%	1.4%	**7.8%**
FY26 Benchmark Index: 5.1%				

December 2025

FY	Income	Deflator	Population	Annual
2026	3.8%	2.6%	0.8%	**3.6%**
2025	6.8%	1.9%	0.9%	**4.7%**
2024	3.8%	1.8%	1.1%	**3.4%**
FY27 Benchmark Index: 3.9%				

May 2026

FY	Income	Deflator	Population	Annual
2026	3.7%	3.5%	0.8%	**4.0%**
2025	6.9%	1.9%	0.9%	**4.8%**
2024	3.8%	1.8%	1.1%	**3.4%**
FY27 Benchmark Index: 4.1%				

Benchmark Appropriation

FY 2026 Budget	a	$6,580.8
FY 2026 Grants-in-Aid	b	98.3
Operating Spending in Bond Bill	c	65.8
OPEB Set Aside	d	65.8
FY 2027 Benchmark Appropriation	e (a + b) * **1.041** + c + d	**7,084.6**
FY 2027 98% Appropriation Limit	*f*	7,328.0
FY 2027 Extraordinary Revenues/(Shortfall)	f – e	**243.4**

DELAWARE DEPARTMENT OF FINANCE