

April 17, 2025

To: Governor Laura Kelly and Legislative Coordinating Council

From: Kansas Legislative Research Department and Kansas Division of the Budget

Re: State General Fund Revenue Estimate for FY 2025 and FY 2026

The Consensus Estimating Group met today to revise the November 15, 2024 State General Fund (SGF) estimates for FY 2025 and FY 2026. The revisions include the estimated impact of all 2025 legislation signed into law thus far. The impact of any legislation affecting the SGF that becomes law after April 17, 2025, will be quantified in a separate legislative adjustments report. Consensus revenue estimates are based on current federal and state laws and their current interpretation. A more detailed memo will be available soon which contains the economic forecast for Kansas upon which the new estimates are based, as well as a discussion of the other factors influencing the individual source estimates.

The overall estimate for FY 2025 and FY 2026 was increased by a combined \$377.5 million. The estimate for total taxes was increased by \$195.1 million, and other revenues were increased by \$182.4 million for the two years combined.

For FY 2025, the revised estimate was increased by \$157.9 million, or 1.6 percent, above the November estimate. The estimate for total taxes was increased by \$101.5 million, while the estimate for other revenues was increased by \$56.4 million. The overall revised estimate of \$9.890 billion represents a 2.5 percent decrease below the final FY 2024 receipts.

For FY 2026, the revised estimate is \$10.066 billion, which is \$219.6 million, or 2.2 percent, above the previous estimate. The estimate for total taxes was increased by \$93.6 million, while the estimate for other revenues was increased by \$126.0 million. The overall revised estimate for FY 2026 represents a 1.8 percent increase above the newly revised FY 2025 figure.

Table 1 compares the revised estimates for FY 2025 and FY 2026 with actual receipts from FY 2024. Tables 2 and 3 show the revisions in each fiscal year's estimates.

Table 1
State General Fund Receipts
(Dollars in Thousands)

	Consensus Estimate April 17, 2025					
	FY 2024 (Actual)		FY 2025 (Revised)		FY 2026 (Revised)	
	Amount	Percent Change	Amount	Percent Change	Amount	Percent Change
Income Taxes:						
Individual	\$ 4,503,615	(0.1) %	\$ 4,450,000	(1.2) %	\$ 4,675,000	5.1 %
Corporation	1,419,201	(5.7)	1,325,000	(6.6)	1,325,000	--
Financial Institutions	46,580	(18.2)	45,000	(3.4)	45,000	--
Total	\$ 5,969,396	(1.6) %	\$ 5,820,000	(2.5) %	\$ 6,045,000	3.9 %
Sales & Use Taxes:						
Retail Sales	\$ 2,678,278	(3.6) %	\$ 2,555,000	(4.6) %	\$ 2,515,000	(1.6) %
Compensating Use	861,205	7.2	890,000	3.3	920,000	3.4
Total	\$ 3,539,483	(1.1) %	\$ 3,445,000	(2.7) %	\$ 3,435,000	(0.3) %
Other Excise Taxes:						
Cigarette	\$ 90,094	(8.5) %	\$ 82,000	(9.0) %	\$ 77,000	(6.1) %
Tobacco Products	10,509	1.5	10,300	(2.0)	10,400	1.0
Liquor Gallonage	24,703	1.4	24,300	(1.6)	24,300	--
Liquor Enforcement	83,715	0.0	83,000	(0.9)	83,500	0.6
Liquor Drink	15,225	1.8	15,200	(0.2)	15,300	0.7
Gas Severance	(1,617)	(107.7)	2,900	279.4	6,900	137.9
Oil Severance	25,924	(30.4)	24,200	(6.6)	18,600	(23.1)
Total	\$ 248,553	(14.3) %	\$ 241,900	(2.7) %	\$ 236,000	(2.4) %
Other Taxes:						
Insurance Premiums	\$ 220,680	12.9 %	\$ 218,000	(1.2) %	\$ 215,000	(1.4) %
Motor Carrier	11,786	(1.6)	11,600	(1.6)	11,400	(1.7)
Corporate Franchise	8,224	(10.5)	9,800	19.2	9,500	(3.1)
Miscellaneous	5,712	9.3	5,300	(7.2)	5,300	--
Total	\$ 246,402	11.0 %	\$ 244,700	(0.7) %	\$ 241,200	(1.4) %
Total Taxes	\$ 10,003,834	(1.5) %	\$ 9,751,600	(2.5) %	\$ 9,957,200	2.1 %
Other Revenues:						
Interest	\$ 395,775	97.4 %	\$ 405,000	2.3 %	\$ 280,000	(30.9) %
Net Transfers	(371,151)	68.9	(378,200)	(1.9)	(286,000)	24.4
Agency Earnings	111,103	(4.7)	111,300	0.2	114,300	2.7
Total	\$ 135,727	115.5 %	\$ 138,100	1.7 %	\$ 108,300	(21.6) %
Total Receipts	<u>\$ 10,139,561</u>	<u>9.2 %</u>	<u>\$ 9,889,700</u>	<u>(2.5) %</u>	<u>\$ 10,065,500</u>	<u>1.8 %</u>

Table 2
State General Fund Receipts
FY 2025 Revised
Comparison of April 2025 Estimate with November 2024 Estimate
(Dollars in Thousands)

	FY 2025 CRE Est. Revised 11/15/2024	FY 2025 CRE Est. Revised 04/17/2025	Difference	
			Amount	Pct. Chg.
Income Taxes:				
Individual	\$ 4,300,000	\$ 4,450,000	\$ 150,000	3.5 %
Corporation	1,350,000	1,325,000	(25,000)	(1.9)
Financial Institutions	44,000	45,000	1,000	2.3
Total	\$ 5,694,000	\$ 5,820,000	\$ 126,000	2.2 %
Sales & Use Taxes:				
Retail Sales	\$ 2,575,000	\$ 2,555,000	\$ (20,000)	(0.8) %
Compensating Use	890,000	890,000	--	--
Total	\$ 3,465,000	\$ 3,445,000	\$ (20,000)	(0.6) %
Other Excise Taxes:				
Cigarette	\$ 84,000	\$ 82,000	\$ (2,000)	(2.4) %
Tobacco Products	10,200	10,300	100	1.0
Liquor Gallonage	24,000	24,300	300	1.3
Liquor Enforcement	84,000	83,000	(1,000)	(1.2)
Liquor Drink	15,400	15,200	(200)	(1.3)
Gas Severance	1,600	2,900	1,300	81.3
Oil Severance	23,000	24,200	1,200	5.2
Total	\$ 242,200	\$ 241,900	\$ (300)	(0.1) %
Other Taxes:				
Insurance Premiums	\$ 222,000	\$ 218,000	\$ (4,000)	(1.8) %
Motor Carrier	11,800	11,600	(200)	(1.7)
Corporate Franchise	9,500	9,800	300	3.2
Miscellaneous	5,600	5,300	(300)	(5.4)
Total	\$ 248,900	\$ 244,700	\$ (4,200)	(1.7) %
Total Taxes	\$ 9,650,100	\$ 9,751,600	\$ 101,500	1.1 %
Other Revenues:				
Interest	\$ 348,300	\$ 405,000	\$ 56,700	16.3 %
Net Transfers	(383,600)	(378,200)	5,400	1.4
Agency Earnings	117,000	111,300	(5,700)	(4.9)
Total	\$ 81,700	\$ 138,100	\$ 56,400	69.0 %
Total Receipts	\$ 9,731,800	\$ 9,889,700	\$ 157,900	1.6 %

Table 3
State General Fund Receipts
FY 2026 Revised
Comparison of April 2025 Estimate with November 2024 Estimate
(Dollars in Thousands)

	FY 2026 CRE Est. Revised 11/15/2024	FY 2026 CRE Est. Revised 04/17/2025	Difference	
			Amount	Pct. Chg.
Income Taxes:				
Individual	\$ 4,500,000	\$ 4,675,000	\$ 175,000	3.9 %
Corporation	1,360,000	1,325,000	(35,000)	(2.6)
Financial Institutions	45,000	45,000	--	--
Total	\$ 5,905,000	\$ 6,045,000	\$ 140,000	2.4 %
Sales & Use Taxes:				
Retail Sales	\$ 2,550,000	\$ 2,515,000	\$ (35,000)	(1.4) %
Compensating Use	920,000	920,000	--	--
Total	\$ 3,470,000	\$ 3,435,000	\$ (35,000)	(1.0) %
Other Excise Taxes:				
Cigarette	\$ 80,000	\$ 77,000	\$ (3,000)	(3.8) %
Tobacco Products	10,300	10,400	100	1.0
Liquor Gallonage	24,000	24,300	300	1.3
Liquor Enforcement	84,200	83,500	(700)	(0.8)
Liquor Drink	15,500	15,300	(200)	(1.3)
Gas Severance	5,100	6,900	1,800	35.3
Oil Severance	20,900	18,600	(2,300)	(11.0)
Total	\$ 240,000	\$ 236,000	\$ (4,000)	(1.7) %
Other Taxes:				
Insurance Premiums	\$ 222,000	\$ 215,000	\$ (7,000)	(3.2) %
Motor Carrier	11,800	11,400	(400)	(3.4)
Corporate Franchise	9,200	9,500	300	3.3
Miscellaneous	5,600	5,300	(300)	(5.4)
Total	\$ 248,600	\$ 241,200	\$ (7,400)	(3.0) %
Total Taxes	\$ 9,863,600	\$ 9,957,200	\$ 93,600	0.9 %
Other Revenues:				
Interest	\$ 218,600	\$ 280,000	\$ 61,400	28.1 %
Net Transfers	(346,300)	(286,000)	60,300	17.4
Agency Earnings	110,000	114,300	4,300	3.9
Total	\$ (17,700)	\$ 108,300	\$ 126,000	711.9 %
Total Receipts	\$ 9,845,900	\$ 10,065,500	\$ 219,600	2.2 %

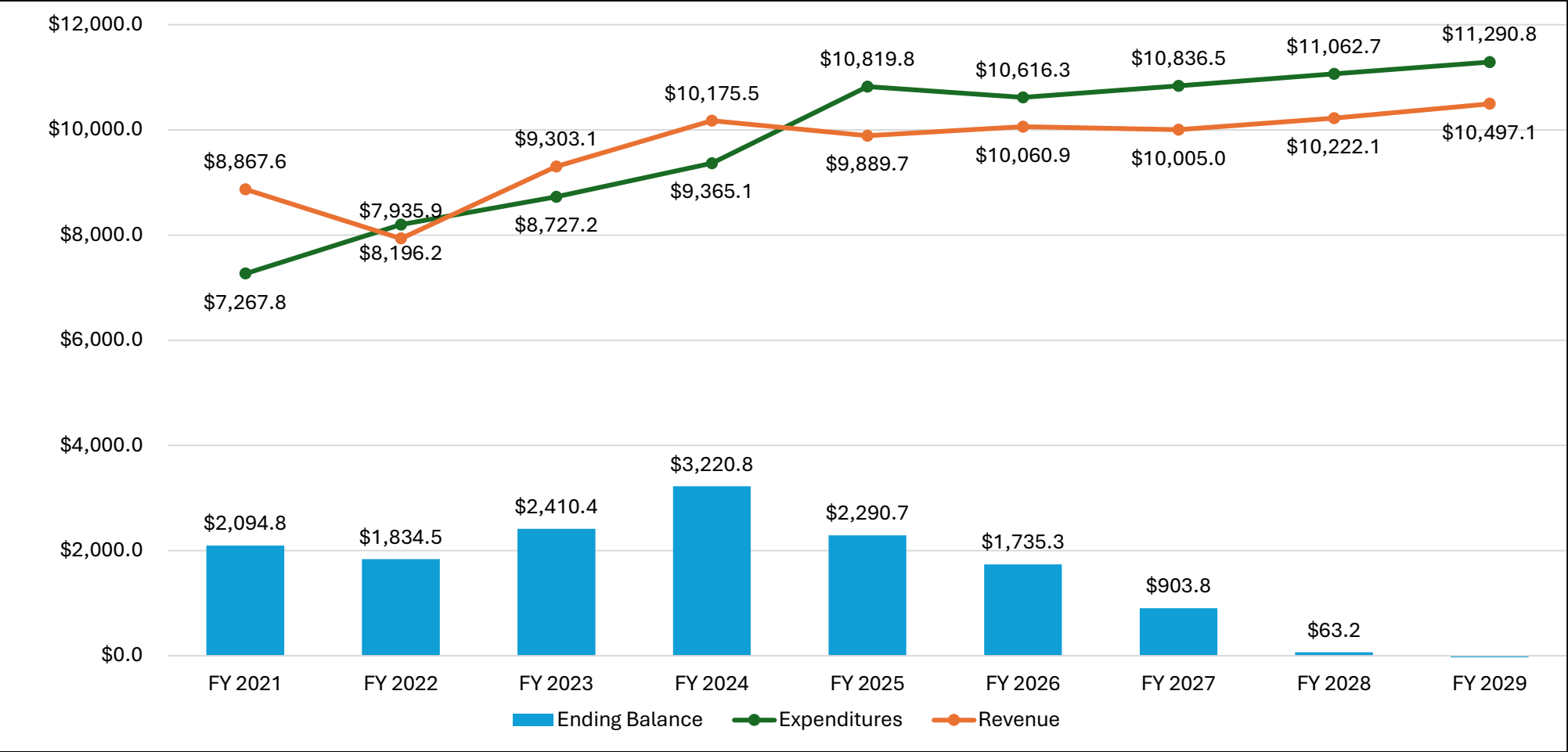
State General Fund Profile, FY 2023 – FY 2029
Includes Approved Legislation, Veto Overrides, and Vetoes as of April 11, 2025
(Dollars in Millions)

Line		Actual FY 2023	Actual FY 2024	Approved FY 2025	Approved FY 2026	Estimate FY 2027	Estimate FY 2028	Estimate FY 2029
1	Beginning Balance	\$ 1,834.5	\$ 2,410.4	\$ 3,220.8	\$ 2,290.7	\$ 1,735.3	\$ 903.8	\$ 63.2
2								
3	Revenue							
4	Consensus Revenue Estimates	\$ 9,282.8	\$ 10,139.6	\$ 9,889.7	\$ 10,065.5	\$ 10,003.7	\$ 10,234.4	\$ 10,511.4
5	Suspend SCCHR Transfer	-	-	-	-	11.5	11.5	11.5
6	Tax Bills (SB 35, SB 227, HB 2062, HB 2125, HB 2152, HB 2231)	-	-	-	(4.6)	(10.2)	(23.8)	(25.8)
7	Released Encumbrances	20.3	35.9	-	-	-	-	-
8	Total Available Revenue	\$ 11,137.6	\$ 12,585.9	\$ 13,110.5	\$ 12,351.6	\$ 11,740.3	\$ 11,125.9	\$ 10,560.3
9	% Revenue Change from Previous FY	17.2 %	9.4 %	(2.8) %	1.7 %	(0.6) %	2.2 %	2.7 %
10								
11	Expenditures							
12	Actual Expenditures / Agency Request	\$ 8,727.2	\$ 9,365.1	\$ 10,938.8	\$ 11,458.1	\$ 10,616.3	\$ 10,836.5	\$ 11,062.7
13	Human Services Caseloads (April)	-	-	(34.9)	(13.0)	110.0	115.0	115.0
14	School Finance	-	-	-	-	100.2	111.2	113.1
15	Special LBC Recommendations (HB 2007)	-	-	(283.7)	(1,085.3)	-	-	-
16	Conference Recommendations (SB 125)	-	-	200.6	257.7	2.7	-	-
17	Governor's Vetoes – Sustained (SB 125)	-	-	(1.0)	(1.3)	7.3	-	-
18	Total Adjusted Expenditures	\$ 8,727.2	\$ 9,365.1	\$ 10,819.8	\$ 10,616.3	\$ 10,836.5	\$ 11,062.7	\$ 11,290.8
19	% Expenditure Change from Previous FY	6.5 %	7.3 %	15.5 %	(1.9) %	2.1 %	2.1 %	2.1 %
20								
21	Ending Balance	\$ 2,410.4	\$ 3,220.8	\$ 2,290.7	\$ 1,735.3	\$ 903.8	\$ 63.2	\$ (730.5)
22								
23	Budget Stabilization Fund balance	\$ 1,610.3	\$ 1,670.3	\$ 1,750.0	\$ 1,802.5	\$ 1,856.6	\$ 1,912.3	\$ 1,969.6
24	Ending balance as % of expenditures	27.6 %	34.4 %	21.2 %	16.3 %	8.3 %	0.6 %	(6.5) %
25	Receipts above / (below) expenditures	\$ 575.9	\$ 810.4	\$ (930.1)	\$ (555.4)	\$ (831.5)	\$ (840.6)	\$ (793.7)

State General Fund Profile – Revenue Adjustments, FY 2023 – FY 2029
Includes Approved Legislation, Veto Overrides, and Vetoes as of April 11, 2025
(Dollars in Millions)

		Approved 2025	Approved 2026	Estimate 2027	Estimate 2028	Estimate 2029
Tax Bills						
SB 35	Eliminate State Mill Levies/SGF Transfers (In CRE)	\$ -	\$ -	\$ -	\$ -	\$ -
SB 227	Historic Preservation Credit Change (In CRE)	-	-	-	-	-
HB 2231	Personal Exemption and "Tax Freeze" Refund Change	-	(4.6)	(8.8)	(23.8)	(25.8)
HB 2152	PMIB Bill (In CRE)	-	-	-	-	-
HB 2125	Revenue Neutral Rate Reimbursement - CCR Only	-	-	(1.4)	-	-
HB 2062	Unborn Child Personal Exemption (In CRE)	-	-	-	-	-
Total		\$ -	\$ (4.6)	\$ (10.2)	\$ (23.8)	\$ (25.8)
Appropriation Bills - Built Into CRE Estimate						
HB 2007						
Treasurer	Delete BUILD Kansas Fund Transfer	\$ -	\$ 50.0	\$ -	\$ -	\$ -
Total		\$ -	\$ 50.0	\$ -	\$ -	\$ -
SB 125						
Regents	Delete Campus Restoration Act Transfer	\$ -	\$ 32.7	\$ -	\$ -	\$ -
Commerce	STAR Bond Food Sales Tax Revenue Replacement Fund	-	(4.0)	-	-	-
KDHE--Health	Health Care Access Improvement Program Fund Transfer	-	8.7	-	-	-
Judiciary	Specialty Court Resources Fund Transfer	-	(1.5)	-	-	-
Total		\$ -	\$ 35.9	\$ -	\$ -	\$ -
Grand Total		\$ -	\$ 81.3	\$ (10.2)	\$ (23.8)	\$ (25.8)

State General Fund Profile, FY 2021 – FY 2029
Includes Approved Legislation, Veto Overrides, and Vetoes as of April 11, 2025
(Dollars in Millions)



		Actual 2021	Actual 2022	Actual 2023	Actual 2024	Approved 2025	Approved 2026	Estimate 2027	Estimate 2028	Estimate 2029
Beginning Balance		\$ 495.0	\$ 2,094.8	\$ 1,834.5	\$ 2,410.4	\$ 3,220.8	\$ 2,290.7	\$ 1,735.3	\$ 903.8	\$ 63.2
Revenue		8,867.6	7,935.9	9,303.1	10,175.5	9,889.7	10,060.9	10,005.0	10,222.1	10,497.1
Expenditures		7,267.8	8,196.2	8,727.2	9,365.1	10,819.8	10,616.3	10,836.5	11,062.7	11,290.8
Ending Balance		\$ 2,094.8	\$ 1,834.5	\$ 2,410.4	\$ 3,220.8	\$ 2,290.7	\$ 1,735.3	\$ 903.8	\$ 63.2	\$ (730.5)