Fiscal Year 2026 Financial Results

Interim Joint Committee on Appropriations and Revenue

August 5, 2026

John Hicks, State Budget Director

Fiscal Year 2026 Overview

Revenue Story

General Fund Year-End

Budget Reserve Trust Fund

Road Fund Year-End

FY26 General Fund Receipts
Actual vs. Official and Enacted Estimates
($ million)

	FY 26 Enacted Estimate	FY 26 Official Estimate	FY26 Actual	Actual vs Enacted Estimate	Actual vs Official Estimate
Individual Income	5,381.1	5,382.8	5,566.4	185.3	183.6
Sales & Use	6,299.1	6,047.7	6,196.6	(102.5)	148.9
Corp. Inc. & LLET	1,352.9	1,347.1	1,432.7	79.8	85.6
Property	861.9	864.2	853.0	(8.9)	(11.2)
Lottery	370.0	370.0	370.0	-	-
Cigarettes	231.7	224.7	246.1	14.4	21.4
Coal Severance	47.9	55.1	63.0	15.1	7.9
Other	1,110.3	1,207.3	1,247.7	137.4	40.4
Total General Fund	**15,654.9**	**15,498.9**	**15,975.5**	**320.6**	**476.6**

General Fund Receipts
FY26 and FY25 Actual
($ million)

	Actual FY26	Actual FY25	Difference %
Individual Income	5,566.4	5,319.2	4.6
Sales & Use	6,196.6	5,821.3	6.4
Corp. Inc. & LLET	1,432.7	1,834.5	(21.9)
Property	853.0	839.3	1.6
Lottery	370.0	350.7	5.5
Cigarettes	246.1	243.6	1.1
Coal Severance	63.0	56.1	12.3
Other	1,247.7	1,238.6	0.7
TOTAL	**15,975.5**	**15,703.2**	**1.7**

FY 2026 General Fund Revenues

- Individual Income Tax
  - Total income tax receipts increased 4.6%
  - Individual income tax rate was lowered by 12.5% Jan 2026. Withholding fell only 0.4% in FY26
  - Individual declarations and net returns were up substantially
- Sales and Use Tax
  - Sales and use tax receipts grew by 6.4%
  - 4^{th} quarter receipts increased by 8.0%
- Major Business Taxes
  - Exceeded both forecasts
  - FY25 had an unusually high corporation estimated payments

FY 2026 General Fund Revenues

- Lottery Receipts
  - Increased by 5.5%

- Coal Severance
  - Bounced back in FY6 to $63 million, up 12.3%

- Cigarette Tax
  - First annual increase since Y 2020

FY 2026 General Fund Surplus

Unbudgeted Ending Balance	$ 28.2 million
Revenue More than Enacted	$ 320.6 million
Spending Less than Budgeted	$ 87.1 million
Fund Transfers in Excess of Budget	$ 124.7 million
Necessary Government Expenses	$ (78.7) million
Subtotal	**$ 481.8 million**
Budgeted Carryforward into FY 27	$ (63.5) million
General Fund Surplus	**$ 418.3 million**

General Fund Surplus Recent History

FY 2020	$ 177.4 million
FY 2021	1,172.7 million
FY 2022	1,033.4 million
FY 2023	1,552.9 million
FY 2024	15.0 million
FY 2025	313.5 million
FY 2026	$ 418.3 million

Budget Reserve Trust Fund

➢ **End of FY 2026 Balance**	$3,744,123,047
➢ **Deposit of FY 2026 Surplus**	418,316,517
➢ **FY 2027 Appropriation**	586,581,400
➢ **FY 2028 Appropriation**	50,413,900
➢ **FY 2027 & 2028 Uses**	(1,813,423,200)
➢ **Unbudgeted Balance**	**$2,986,011,664**

FY26 Road Fund Receipts
Actual vs. Official and Enacted Estimates
($ million)

	FY 26 Enacted Estimate	FY 26 Official Estimate	FY26 Actual	Actual vs Enacted Estimate	Actual vs Official Estimate
Motor Fuels	923.6	806.2	790.7	(132.9)	(15.5)
Motor Vehicle Usage	660.3	737.6	734.2	73.9	(3.4)
Motor Vehicle License	130.9	120.4	121.1	(9.8)	0.7
Motor Vehicle Operators	32.3	34.6	31.3	(1.0)	(3.3)
Weight Distance	91.7	88.1	87.1	(4.6)	(1.0)
Investment	6.2	9.2	6.9	0.7	(2.3)
Other	49.3	47.9	50.6	1.3	2.7
Total Road Fund	**1,894.3**	**1,844.0**	**1,821.9**	**(72.4)**	**(22.1)**

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Road Fund Receipts FY26 and FY25

($ million)

	Actual FY26	Actual FY25	Difference (%)
Motor Fuels	790.7	836.4	(5.5)
Motor Vehicle Usage	734.2	719.5	2.0
Motor Vehicle License	121.1	117.3	3.3
Motor Vehicle Operators	31.3	33.7	(7.0)
Weight Distance	87.1	86.3	0.9
Investment	6.9	19.0	(63.6)
Other	50.6	51.4	(1.6)
TOTAL	**1,821.9**	**1,863.5**	**(2.2)**

FY 2026 Road Fund Closeout

Revenue Shortfall	$72.4 million
Vehicle Regulation - Current Year Appropriation	5.0 million
Budgeted Carryforward into FY 27	1.2 million
Amount to be addressed to Balance	**$78.6 million**

FY 26 Road Fund
Actions to Address Shortfall

Revenue Sharing Appropriation Adjustment	$65.1 million
Unexpended Appropriations	4.9 million
Budget Reduction	8.0 million
Fund Transfers in excess of budget	0.6 million
Total	**$78.6 million**

Questions