





State of Wisconsin Department of Administration

Tony Evers, Governor
Kathy Blumenfeld, Secretary

Date: May 11, 2026

To: The Honorable Tony Evers
 Governor, State of Wisconsin

From: Kathy Blumenfeld, Secretary  Department of Administration **David Casey, Secretary**  Department of Revenue

CC: Robert Wm. Lang, Director
 Legislative Fiscal Bureau

Subject: Fiscal Year 2025-26 General Fund Tax Collections

Our respective departments have conducted a review of recent economic forecasts and general fund tax collection data for fiscal year 2025-26. Our review includes a comparison with general fund tax collection estimates provided by the Legislative Fiscal Bureau to the co-chairpersons of the Joint Committee on Finance and members of that committee earlier this year on January 15, 2026.

Through April, fiscal year 2025-26 general fund tax collections are tracking approximately \$300 million to \$350 million above the Legislative Fiscal Bureau’s January estimates, which were \$1,529.0 million above the net balance projected at the time of enactment of the 2025-27 biennial budget. Strength in general fund tax collections has primarily emanated from individual and corporate income tax receipts to date. Sales tax collections have also modestly exceeded estimates. Please note that overall general fund tax collections during the few remaining months of fiscal year 2025-26 may cause modest positive or negative variance from the trend so far this fiscal year.

**Range of Estimated Additional General Fund Tax Collections for the
 Fiscal Year 2025-26 Relative to January 2026 Estimates
 (in millions)**

<u>Tax Type</u>	<u>Low End</u>	<u>High End</u>
Individual Income	\$175.0	\$185.0
General Sales and Use	\$30.0	\$40.0
Corporate Income/Franchise	\$70.0	\$80.0
Public Utility	\$12.0	\$15.0
Excise	\$5.0	\$10.0
Insurance	\$5.0	\$15.0
Miscellaneous	<u>\$3.0</u>	<u>\$5.0</u>
Totals	\$300.0	\$350.0

Through April, fiscal year 2025-26 general fund tax collections have increased 5.3 percent compared to last year. Individual income tax collections have risen 4.4 percent, corporate income tax collections have increased 11.1 percent, and sales and use tax collections have risen 4.5 percent. While a portion of the gain in individual income tax collections results from a favorable comparison due to processing season anomalies in fiscal year 2024-25, growth has significantly exceeded the 1.4 percent growth rate estimated in January for fiscal year 2025-26.

National Economic Forecast

The trend in the economic forecast provided by S&P Global Market Intelligence (S&P Global) over recent months has been generally favorable for revenue collections, with strong positive revisions in the outlook for corporate profits and retail sales. Offsetting that strength somewhat is a reduced outlook for personal income and real Gross Domestic Product (GDP) growth. Nominal GDP growth has been revised higher in part due to higher expected inflation than was previously estimated. Taken together, these economic forecast revisions support the strong close to FY26 and may suggest continued growth in Wisconsin's general fund tax collections relative to estimates provided earlier this year.

Our departments will continue to monitor our general fund tax collections as well as new economic forecasts and let you know of any modifications to these estimates as needed.

Please contact us if you have any questions or desire any additional information.