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Laura Kelly, Governor

November 5, 2026

To: Governor Laura Kelly and Legislative Coordinating Council

From: Division of the Budget and Kansas Legislative Research Department

Subject: State General Fund Revenue Estimate for FY 2027 and FY 2028

The Consensus Revenue Estimating Group met today to revise the State General Fund revenue estimate for FY 2027 and to make its first official assessment of FY 2028. A more detailed memo will be available soon which contains the economic forecast for Kansas upon which the estimates are based, as well as a discussion of other factors influencing the individual source estimates. Estimates for the State General Fund are developed using a consensus process that involves the Division of the Budget, Legislative Research Department, Department of Revenue, and three consulting economists from state universities. This estimate is the base from which the Governor and the Legislature build the annual budget. Consensus revenue estimates are based on current federal and state laws and their current interpretation.

For FY 2027, the estimate was increased by $426.0 million, or 4.2 percent, above the previous estimate (made in April and subsequently adjusted for legislation enacted during the veto session). The estimate for total taxes was increased by $372.7 million, while the estimate for other revenues was increased by $53.3 million. The revised estimate of $10.629 billion represents a 4.7 percent increase above final FY 2026 receipts.

The initial estimate for FY 2028 is $10.932 billion, which is $303.4 million, or 2.9 percent, above the newly revised FY 2027 figure. Various factors influencing this change in revenues in addition to the state of the economy include net change in transfers out of the State General Fund based on current statutory requirements for FY 2027 and FY 2028. The amount of total taxes is estimated to increase by 3.8 percent in FY 2028, following a 5.1 percent increase in FY 2027.

Table 1 compares the revised estimates for FY 2027 and initial estimates for FY 2028 with actual receipts from FY 2026. Tables 2 shows the changes within the FY 2027 estimate.

Table 1
State General Fund Receipts
(Dollars in Thousands)

	FY 2026 (Actual)		Consensus Estimate November 5, 2026 FY 2027 (Revised)		FY 2028	
	Amount	Percent Change	Amount	Percent Change	Amount	Percent Change
Income Taxes:						
Individual	$ 5,054,348	8.1 %	$ 5,350,000	5.8 %	$ 5,600,000	4.7 %
Corporation	995,352	(24.2)	1,055,000	6.0	1,080,000	2.4
Financial Institutions	54,330	10.9	60,000	10.4	62,000	3.3
Total	$ 6,104,030	1.1 %	$ 6,465,000	5.9 %	$ 6,742,000	4.3 %
Sales & Use Taxes:						
Retail Sales	$ 2,530,971	(2.0) %	$ 2,620,000	3.5 %	$ 2,700,000	3.1 %
Compensating Use	944,696	5.7	1,010,000	6.9	1,070,000	5.9
Total	$ 3,475,667	0.0 %	$ 3,630,000	4.4 %	$ 3,770,000	3.9 %
Other Excise Taxes:						
Cigarette	$ 78,990	(3.9) %	$ 72,500	(8.2) %	$ 68,000	(6.2) %
Tobacco Products	10,266	(0.2)	10,200	(0.6)	10,100	(1.0)
Liquor Gallonage	23,871	(0.3)	24,600	3.1	24,600	--
Liquor Enforcement	82,045	(0.9)	81,500	(0.7)	80,500	(1.2)
Liquor Drink	15,454	0.8	15,900	2.9	15,700	(1.3)
Gas Severance	5,097	46.0	2,900	(43.1)	3,500	20.7
Oil Severance	19,017	(17.3)	28,900	52.0	22,000	(23.9)
Total	$ 234,740	(2.7) %	$ 236,500	0.7 %	$ 224,400	(5.1) %
Other Taxes:						
Insurance Premiums	$ 215,632	(0.7) %	$ 212,500	(1.5) %	$ 210,000	(1.2) %
Motor Carrier	11,863	0.9	12,200	2.8	12,200	--
Corporate Franchise	9,143	(17.3)	10,400	13.8	10,400	--
Miscellaneous	5,281	0.7	5,600	6.0	5,700	1.8
Total	$ 241,919	(1.4) %	$ 240,700	(0.5) %	$ 238,300	(1.0) %
Total Taxes	$ 10,056,356	0.6 %	$ 10,572,200	5.1 %	$ 10,974,700	3.8 %
Other Revenues:						
Interest	$ 310,713	(0.8) %	$ 289,000	(7.0) %	$ 221,200	(23.5) %
Net Transfers	(351,470)	(35.6)	(377,600)	(7.4)	(406,600)	(7.7)
Agency Earnings	131,293	19.6	145,000	10.4	142,700	(1.6)
Total	$ 90,536	(83.9) %	$ 56,400	(37.7) %	$ (42,700)	(175.7) %
Total Receipts	$ 10,146,892	(1.2) %	$ 10,628,600	4.7 %	$ 10,932,000	2.9 %

Table 2
State General Fund Receipts
FY 2027 Revised
Comparison of November 2026 Estimate with May 2026 Estimate
(Dollars in Thousands)

	FY 2027 CRE Est. As Adj. for Legis.	FY 2027 CRE Est. Revised 11/05/2026	Difference Amount	Difference Pct. Chg.
Income Taxes:				
Individual	$ 5,119,400	$ 5,350,000	$ 230,600	4.5 %
Corporation	987,600	1,055,000	67,400	6.8
Financial Institutions	51,000	60,000	9,000	17.6
Total	$ 6,158,000	$ 6,465,000	$ 307,000	5.0 %
Sales & Use Taxes:				
Retail Sales	$ 2,590,000	$ 2,620,000	$ 30,000	1.2 %
Compensating Use	980,000	1,010,000	30,000	3.1
Total	$ 3,570,000	$ 3,630,000	$ 60,000	1.7 %
Other Excise Taxes:				
Cigarette	$ 73,500	$ 72,500	$ (1,000)	(1.4) %
Tobacco Products	10,300	10,200	(100)	(1.0)
Liquor Gallonage	24,300	24,600	300	1.2
Liquor Enforcement	82,500	81,500	(1,000)	(1.2)
Liquor Drink	15,900	15,900	--	--
Gas Severance	4,000	2,900	(1,100)	(27.5)
Oil Severance	23,900	28,900	5,000	20.9
Total	$ 234,400	$ 236,500	$ 2,100	0.9 %
Other Taxes:				
Insurance Premiums	$ 210,000	$ 212,500	$ 2,500	1.2 %
Motor Carrier	11,800	12,200	400	3.4
Corporate Franchise	10,000	10,400	400	4.0
Miscellaneous	5,300	5,600	300	5.7
Total	$ 237,100	$ 240,700	$ 3,600	1.5 %
Total Taxes	$ 10,199,500	$ 10,572,200	$ 372,700	3.7 %
Other Revenues:				
Interest	$ 275,000	$ 289,000	$ 14,000	5.1 %
Net Transfers	(407,600)	(377,600)	30,000	7.4
Agency Earnings	135,700	145,000	9,300	6.9
Total	$ 3,100	$ 56,400	$ 53,300	1,719.4 %
Total Receipts	$ 10,202,600	$ 10,628,600	$ 426,000	4.2 %