

November 13, 2025

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 2026 and FY 2027

The Consensus Revenue Estimating Group met today to revise the State General Fund revenue estimate for FY 2026 and to make its first official assessment of FY 2027. 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 2026, the estimate was increased by \$165.9 million, or 1.6 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 \$149.0 million, while the estimate for other revenues was increased by \$16.9 million. The revised estimate of \$10.227 billion represents a 2.0 percent increase above final FY 2025 receipts.

The initial estimate for FY 2027 is \$10.133 billion, which is \$93.9 million, or 0.9 percent, below the newly revised FY 2026 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 2026 and FY 2027. The amount of total taxes is estimated to increase by 1.3 percent in FY 2027, following a 1.0 percent increase in FY 2026.

Table 1 compares the revised estimates for FY 2026 and initial estimates for FY 2027 with actual receipts from FY 2025. Tables 2 shows the changes within the FY 2026 estimate.

Table 1
State General Fund Receipts
(Dollars in Thousands)

	Consensus Estimate November 13, 2025					
	FY 2025 (Actual)		FY 2026 (Revised)		FY 2027	
	Amount	Percent Change	Amount	Percent Change	Amount	Percent Change
Income Taxes:						
Individual	\$ 4,675,736	3.8 %	\$ 4,945,000	5.8 %	\$ 5,105,000	3.2 %
Corporation	1,313,558	(7.4)	1,145,000	(12.8)	1,040,000	(9.2)
Financial Institutions	48,986	5.2	43,000	(12.2)	44,000	2.3
Total	\$ 6,038,280	1.2 %	\$ 6,133,000	1.6 %	\$ 6,189,000	0.9 %
Sales & Use Taxes:						
Retail Sales	\$ 2,581,699	(3.6) %	\$ 2,540,000	(1.6) %	\$ 2,590,000	2.0 %
Compensating Use	893,761	3.8	945,000	5.7	975,000	3.2
Total	\$ 3,475,460	(1.8) %	\$ 3,485,000	0.3 %	\$ 3,565,000	2.3 %
Other Excise Taxes:						
Cigarette	\$ 82,238	(8.7) %	\$ 77,000	(6.4) %	\$ 72,000	(6.5) %
Tobacco Products	10,291	(2.1)	10,300	0.1	10,300	--
Liquor Gallonage	23,946	(3.1)	24,300	1.5	24,300	--
Liquor Enforcement	82,831	(1.1)	83,000	0.2	83,000	--
Liquor Drink	15,333	0.7	15,400	0.4	15,500	0.6
Gas Severance	3,491	315.9	5,900	69.0	6,000	1.7
Oil Severance	23,003	(11.3)	19,300	(16.1)	19,300	--
Total	\$ 241,133	(3.0) %	\$ 235,200	(2.5) %	\$ 230,400	(2.0) %
Other Taxes:						
Insurance Premiums	\$ 217,237	(1.6) %	\$ 223,000	2.7 %	\$ 227,000	1.8 %
Motor Carrier	11,761	(0.2)	11,700	(0.5)	11,700	--
Corporate Franchise	11,052	34.4	8,800	(20.4)	9,000	2.3
Miscellaneous	5,245	(8.2)	4,900	(6.6)	4,900	--
Total	\$ 245,294	(0.4) %	\$ 248,400	1.3 %	\$ 252,600	1.7 %
Total Taxes	\$ 10,000,167	(0.0) %	\$ 10,101,600	1.0 %	\$ 10,237,000	1.3 %
Other Revenues:						
Interest	\$ 392,447	(0.8) %	\$ 289,800	(26.2) %	\$ 212,000	(26.8) %
Net Transfers	(503,423)	(35.6)	(298,400)	40.7	(440,900)	(47.8)
Agency Earnings	132,847	19.6	133,800	0.7	124,800	(6.7)
Total	\$ 21,871	(83.9) %	\$ 125,200	472.5 %	\$ (104,100)	(183.1) %
Total Receipts	<u>\$ 10,022,038</u>	<u>(1.2) %</u>	<u>\$ 10,226,800</u>	<u>2.0 %</u>	<u>\$ 10,132,900</u>	<u>(0.9) %</u>

Table 2
State General Fund Receipts
FY 2026 Revised
Comparison of November 2025 Estimate with June 2025 Estimate
(Dollars in Thousands)

	FY 2026 CRE Est. As Adj. for Legis.	FY 2026 CRE Est. Revised 11/13/2025	Difference	
			Amount	Pct. Chg.
Income Taxes:				
Individual	\$ 4,670,380	\$ 4,945,000	\$ 274,620	5.9 %
Corporation	1,325,000	1,145,000	(180,000)	(13.6)
Financial Institutions	45,000	43,000	(2,000)	(4.4)
Total	\$ 6,040,380	\$ 6,133,000	\$ 92,620	1.5 %
Sales & Use Taxes:				
Retail Sales	\$ 2,515,000	\$ 2,540,000	\$ 25,000	1.0 %
Compensating Use	920,000	945,000	25,000	2.7
Total	\$ 3,435,000	\$ 3,485,000	\$ 50,000	1.5 %
Other Excise Taxes:				
Cigarette	\$ 77,000	\$ 77,000	\$ --	-- %
Tobacco Products	10,400	10,300	(100)	(1.0)
Liquor Gallonage	24,300	24,300	--	--
Liquor Enforcement	83,500	83,000	(500)	(0.6)
Liquor Drink	15,300	15,400	100	0.7
Gas Severance	6,900	5,900	(1,000)	(14.5)
Oil Severance	18,600	19,300	700	3.8
Total	\$ 236,000	\$ 235,200	\$ (800)	(0.3) %
Other Taxes:				
Insurance Premiums	\$ 215,000	\$ 223,000	\$ 8,000	3.7 %
Motor Carrier	11,400	11,700	300	2.6
Corporate Franchise	9,500	8,800	(700)	(7.4)
Miscellaneous	5,300	4,900	(400)	(7.5)
Total	\$ 241,200	\$ 248,400	\$ 7,200	3.0 %
Total Taxes	\$ 9,952,580	\$ 10,101,600	\$ 149,020	1.5 %
Other Revenues:				
Interest	\$ 280,000	\$ 289,800	\$ 9,800	3.5 %
Net Transfers	(286,000)	(298,400)	(12,400)	(4.3)
Agency Earnings	114,300	133,800	19,500	17.1
Total	\$ 108,300	\$ 125,200	\$ 16,900	15.6 %
Total Receipts	\$ 10,060,880	\$ 10,226,800	\$ 165,920	1.6 %