# General Fund Consensus Revenue Estimate

| August 2025 Consensus General Fund Recurring Revenue Estimate (in millions) | FY25 | FY26 | FY27 |
|---|---|---|---|
| December 2024 Consensus | $13,263.9 | $13,624.8 | $14,092.1 |
| August 2025 Adjustments | $390.8 | $81.2 | $17.8 |
| **August 2025 Consensus** | **$13,654.7** | **$13,706.0** | **$14,109.9** |
| Annual amount change | $604.5 | $51.3 | $403.9 |
| Annual percent change | 4.7% | 0.4% | 2.9% |

Note: Parentheses ( ) denotes a negative number; General fund amounts above do not include oil and gas emergency school tax revenues in excess of the five-year average distributed to the tax stabilization reserve, early childhood trust fund, or the severance tax permanent fund.

**The Consensus Revenue Estimating Group (CREG), comprising the Legislative Finance Committee (LFC), Department of Finance and Administration (DFA), Taxation and Revenue Department (TRD), and Department of Transportation (DOT), reached consensus on the revenue estimates presented in this brief. The recurring revenue update table presents a reconciliation of recurring revenues through the current revenue estimating cycle.**

**FY27 Revenues Less Appropriations**

$484.8 million
Total FY27 revenue less prior year total spending

$3.27 billion
Recurring FY27 revenue less prior year recurring spending

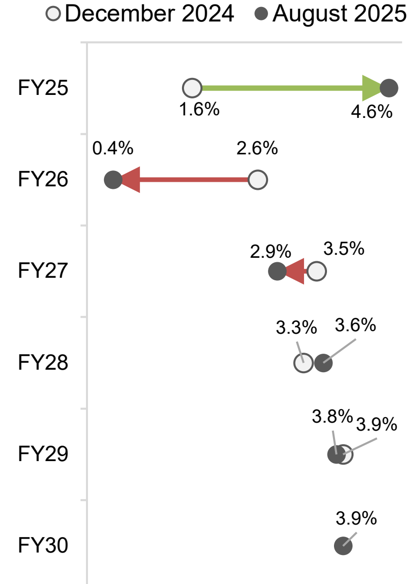
Source: August 2025 CREG


## Summary

Estimated recurring revenues for FY26 are $13.71 billion, up $81.2 million from the last estimate in December 2024 and, are 0.4 percent more than generated in FY25. Although growth in revenue has slowed, the amount available for appropriation remains high due to fiscal restraint in recurring appropriations and higher base revenues. In FY27, recurring revenues are expected to grow only 2.9 percent over FY26 to an estimated $14.11 billion. While FY27 recurring revenue is $3.27 billion more than prior year recurring spending, nonrecurring spending has grown rapidly in recent years and now represents more than 26 percent of general fund spending in a single session and more than a third of spending in a single year. Total revenues less total prior year spending more accurately reflects new general funds available for spending over prior years, which is $484.8 million, or 3.6 percent, in FY27.

Recurring revenues for FY25 are estimated at $13.65 billion, up $604.5 million, or 4.6 percent, from FY24, the predicted return to historical growth rates. The state's revenues have grown at a record pace in previous years, propped up by booming oil and gas, durable consumer spending, inflation, strong demand for employment, and robust wage growth. Those factors contributed to nearly 20 percent revenue growth in both FY22 and FY23. However, the pace of revenue growth slowed in FY24 to about 12.5 percent, though still abnormally high above the average growth rate of the previous two decades. As legislative changes to the tax code take effect, federal policy changes impact state revenues, and the economy softens, revenue growth is expected to grow 0.4 percent in FY26 and 2.9 percent in FY27 before returning to more typical growth of over 3.5 percent in FY28 and beyond.

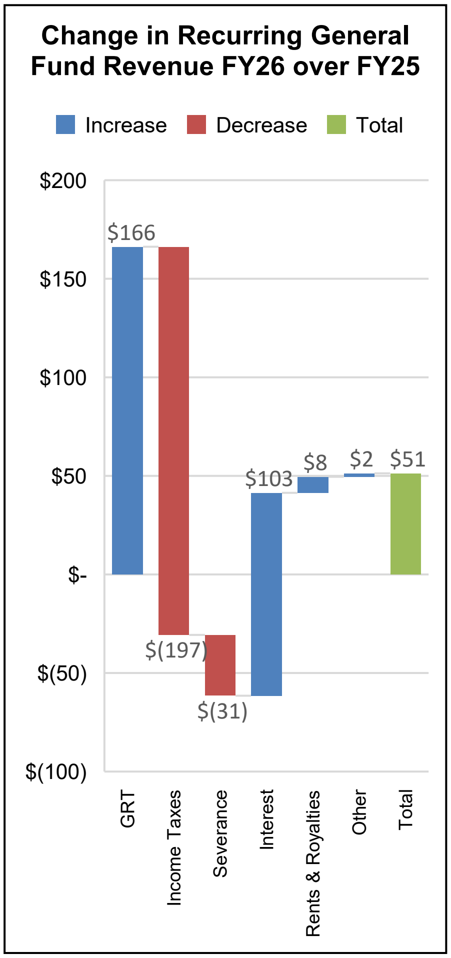

**Recurring General Fund Revenue Annual Growth**



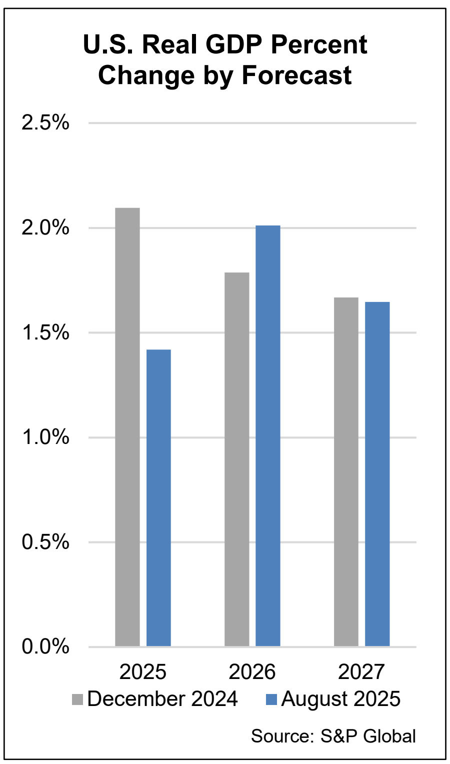

Source: August 2025 CREG

### General Fund Financial Summary and Reserves

Ending reserve balances for FY25 are estimated at $3.47 billion, or 33.9 percent of recurring appropriations. Because total reserve balances exceed 25 percent of recurring appropriations, the excess of the five-year average of oil




Source: August 2025 CREG




and gas school tax—$412.2 million—will go to the early childhood education and care trust fund (ECTF) instead of the tax stabilization reserve.

Ending reserve balances for FY26 are estimated at $3.95 billion, or 36.4 percent of FY26 recurring spending. Again, because reserves are expected to exceed 25 percent of recurring appropriations in FY26, excess oil and gas school tax collections, estimated at about $218 million, will flow into the early childhood trust fund and the newly created behavioral health trust fund. Excess federal oil and gas royalty payments above the five-year average, estimated at about $270.1 million in FY26, will also flow into the early childhood trust fund and newly created Medicaid trust fund (see Attachment 5). Any nonrecurring spending in the 2026 regular session will reduce the FY25 and FY26 reserve balance.

**General Fund Financial Summary**

(in millions)

| | FY25 Est. | FY26 Est. |
|---|---|---|
| Recurring Revenue | $13,654.8 | $13,706.0 |
| Nonrecurring Revenue* | $45.5 | $0.0 |
| Total General Fund Revenue | $13,700.3 | $13,706.0 |
| Recurring Appropriations | $10,234.6 | $10,835.5 |
| Nonrecurring Appropriations* | $3,559.0 | $2,789.6 |
| Total General Fund Appropriations | $13,793.6 | $13,625.1 |
| Transfer to (from) Reserves | ($93.3) | $80.9 |
| *Includes federal stimulus funds and offsets | | |
| Ending Reserve Balance | $3,473.5 | $3,945.5 |
| Percent of Recurring Appropriations | 33.9% | 36.4% |

Source: LFC Files

## Economic Forecast

At the time of the estimates, the New Mexico economic forecast was mostly unchanged compared with the previous forecast. Since forecasting began, the U.S. short- and medium-term outlook has softened amid mixed signals from indicators has emerged as a serious risk to the forecast as presented. Further, significantly lower oil prices and slowing oil production growth contribute to flattening revenue expectations. CREG economists use national data from S&P Global and Moody's Analytics, with local data from the University of New Mexico Bureau of Business and Economic Research (BBER) and Moody's Analytics to develop the forecast. Selected economic indicators used in the forecast are shown in attachment 3.

### U.S. Outlook

Growth in the U.S. economy accelerated at the end of 2024, but recent indicators suggest growth of economic activity moderated in the first half of the year. Real gross domestic product (GDP), the inflation-adjusted value of all goods and services, decreased at a seasonally adjusted annual rate of 0.5

percent in the first quarter of 2025 before expanding by 3 percent in the second quarter of 2025, according to the U.S. Bureau of Economic Analysis. The change in GDP growth over the quarter was largely attributable to swings in net exports from consumption and investment acceleration ahead of tariff imposition expectations. S&P Global is expecting GDP growth of 2.7 percent through FY25 and 2.1 percent in FY26.

The labor market has grown at a solid pace, though recent data suggests slowing and signs of weakness. Over the last 12 months, U.S. nonfarm payroll employment rose by an average of 150 thousand jobs per month. However, payroll gains for May, June, and July averaged just 35 thousand, well below the six-month average and with significant downward revisions which may continue in the months to come. The labor force participation rate was 62.2 in July, down 0.5 percentage points over the year with most of those declines occurring since April.

The 12-month change in the consumer price index (CPI)—a measure of inflation—increased by 2.7 percent in July and core CPI rose 3.1 percent. Evidence of tariff-induced price hikes have been observed in the June and July inflation reports. Core goods prices rose 0.2 percent for the second consecutive month, with the 12-month change increasing to 1.2 percent, the highest reading since June 2023. In the forecast used, S&P Global estimated inflation to remain at 2.5 percent through FY26 before decreasing to 2.4 percent in FY27 and returning to around 2 percent in FY28 and beyond. However these estimates expected effective tariff rates of about 10 percent, which have recently been surpassed and on track to approach 15 percent. Higher tariffs and higher inflation remain significant risks to this forecast.

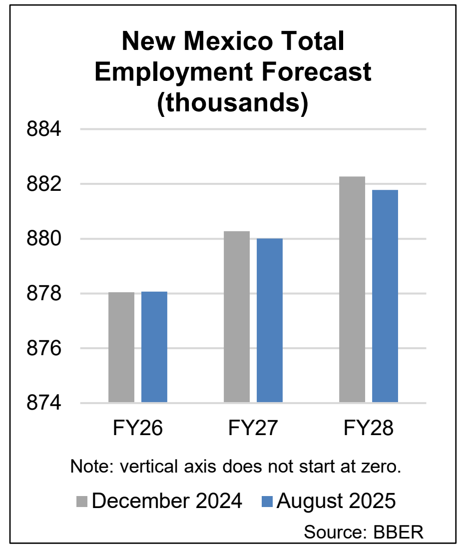
S&P Global forecasted the Federal Reserve's Open Market Committee to hold the federal funds rate at the current level until December 2025, with consecutive cuts through March 2026 and before bringing the federal funds rate target to a range between 2.75 percent and 3 percent before a long-run neutral range in 2028.

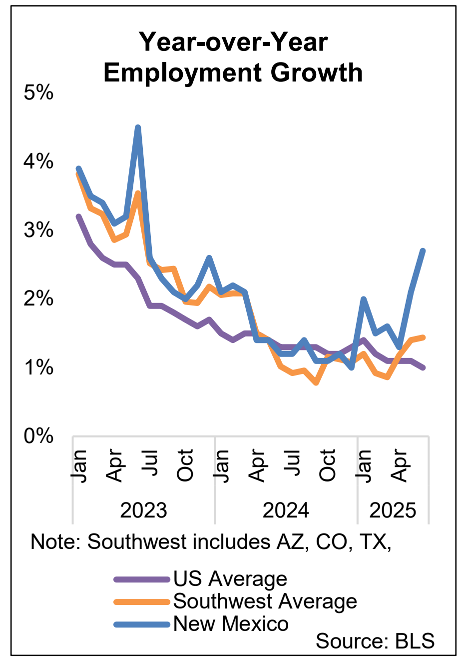
Significant uncertainty in the economic outlook remains (see "Forecast Risks"). Neither S&P Global nor Moody's Analytics include a recession in their baseline forecast. Both S&P Global and Moody's forecasts included some of the impacts of the recent federal House Resolution 1 (H.R. 1) reconciliation package, but did not include significant economic impacts from changes above and beyond extension of the Tax Cuts and Jobs Act (TCJA). As more analysis and data on the impacts of federal policy changes becomes clear, the revenue forecast is likely to change.

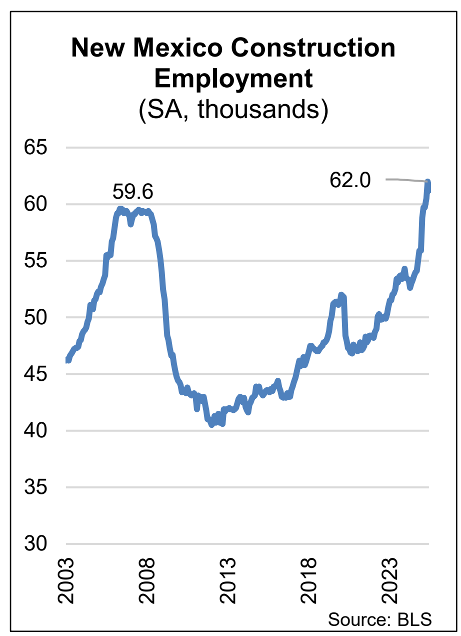
## New Mexico Outlook

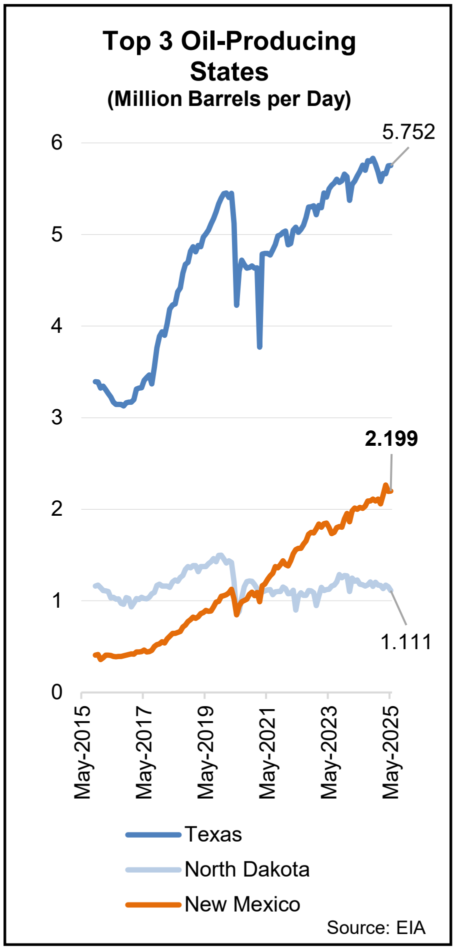
The estimates used in the consensus revenue forecast expect the New Mexico economy will grow at a slower rate than the U.S. economy throughout the forecast period. Like the national outlook, the state's economic outlook is tied to inflation, monetary policy, national labor markets and other broader economic mechanisms.

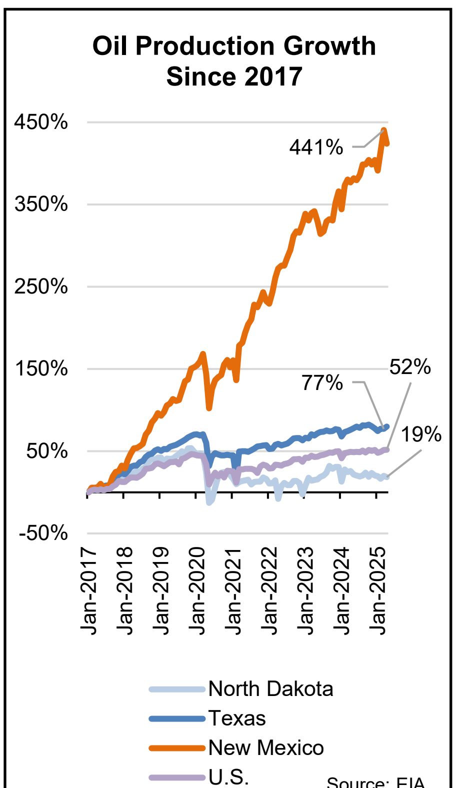
***Employment.*** Preliminary June 2025 data from the U.S. Bureau of Labor Statistics indicates total New Mexico nonfarm employment is up 40.8 thousand jobs, or 4.7 percent, from the prepandemic peak. BBER expects employment growth to steadily slow, increasing 0.9 percent in 2025 before






dipping to 0.2 percent in 2026 and stabilizing around 0.4 percent in 2029. Compared with the BBER forecast used in the December 2024 CREG estimate, total nonfarm employment has been revised downward slightly in FY27 and FY28. Decreased expectations of federal government employment growth drive a downward revision in government employment, while increased expectations of healthcare and social assistance employment offset minor downward revisions of mining, construction, and professional and technical services. As changes reducing medical spending by federal and state government takes effect, the positive expectations may be revised lower.

Currently, New Mexico's labor force participation rate is 57.8 percent, significantly lower than the national rate but nearly returned to the prepandemic peak of 58.7 percent. BBER expects New Mexico's labor force will expand by 0.7 percent in 2025 compared with 2024, with annual growth expected to tick downward to 0.3 percent in 2026 and beyond.

***Wages and Salaries.*** Total wages and salaries grew by 6.3 percent in 2024, a slowdown from the pandemic recovery period but still well above historical annual growth rates. Between 2000 and 2020, there were only four years when wages and salaries grew by 6 percent or more in a year. Each year between 2021 and 2024 has seen annual growth well over 6 percent, peaking at 9.1 percent in 2022, before cooling somewhat to 7.7 percent in 2023 and 6.3 percent in 2024. BBER expects to see average year-over-year growth of 4.2 percent in 2026 through 2030, closer to prepandemic averages.

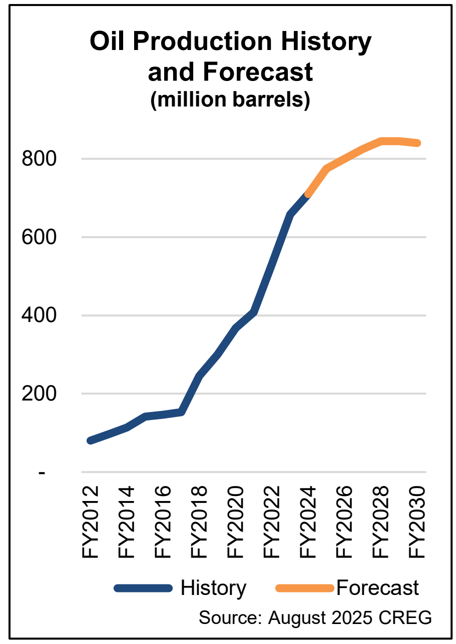
Total personal income growth, which includes income other than earned wages and salaries, followed a similar pattern. Total personal income reached record heights during the pandemic driven by inflationary pressures, a competitive labor market, and transfer payments. Total personal income expanded year-over-year by 4.5 percent in 2022, 4.3 percent in 2023, and 5 percent in 2024. Total personal income is expected to grow by 4.8 percent in 2025. BBER expects average year-over-year growth in total personal income to be 4.9 percent from 2025 to 2030.

## Oil and Gas

Over the past several years, New Mexico's oil and natural gas industry has experienced significant growth, more than quintupling since 2017 (441 percent growth). This rapid acceleration of production has skyrocketed New Mexico to the second-largest oil producer in the United States, behind Texas. In the last year, New Mexico production drove nearly 63 percent of the oil production growth in the United States.

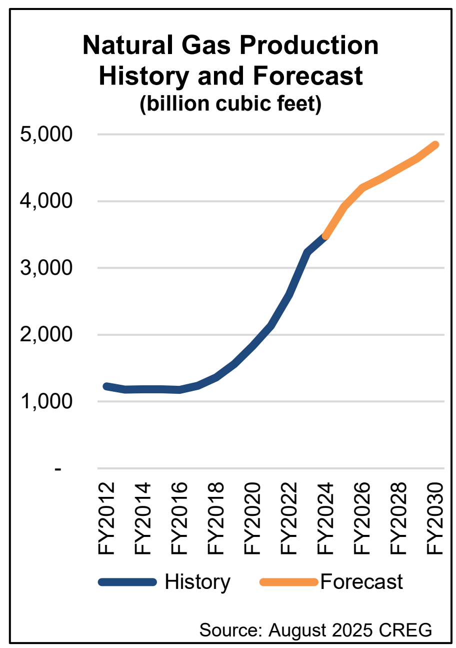
Oil and gas prices remain volatile due to international conflict, shifting OPEC+ policy, and elevated input costs, but New Mexico's production remains stable as development in the Permian Basin matures. The basin is now geologically well understood, with fewer productivity gains available through new technology. As a result, planned private investment—not innovation—is the primary driver of production growth. Large producers dominating the region have shifted focus from aggressive expansion to capital discipline, preserving high-quality inventory for more favorable conditions and prioritizing shareholder returns through "defend the dividend" strategies. These operators are pacing development to maintain long-term cash flow, rather than pursuing short-term volume gains.

Recent comments from the July 2025 Dallas Fed Energy Survey reinforce this cautious approach. Many firms report reducing rig counts, facing higher drilling costs, and delaying activity due to price uncertainty and tariff impacts. Most respondents note that sustainable drilling now requires oil prices in the mid-$60s per barrel. This more measured, cost-conscious operating environment—combined with structural changes in industry behavior—supports a more stable production outlook for New Mexico, even as growth moderates. The shift toward long-term planning and cash-flow resilience helps moderate the state's production outlook.




New Mexico's oil prices averaged $69.00/bbl in FY25 and are estimated to average $60.50/bbl in FY26, $7.50 lower than the prior forecast. Similarly, in FY27 prices have been revised nearly $10 lower to $60.50. Prices are expected to remain lower than prior expectations because of moderating economic conditions and lower demand with growing supply. S&P Global and the New York Mercantile Exchange (NYMEX) expect national oil prices (West Texas Intermediate or WTI) to average between $51/bbl and $66/bbl throughout FY26 and FY27, significantly lower than previously forecasted. New Mexico oil prices are estimated to fall below WTI prices by about $0.40/bbl.

Oil production is already experiencing a slowdown, even though moderate growth is expected throughout the forecast. The state produced an estimated 775 million barrels of oil in FY25, a 9.2 percent increase from total FY24 production but a significant slowdown from 30 percent growth in FY22 and 23.7 percent in FY23. The consensus estimate expects oil production will grow 3.2 percent in FY26 from FY25 levels, resulting in 800 million barrels of New Mexico-produced oil. Growth continues throughout the forecast until FY29, when production is forecasted to plateau.

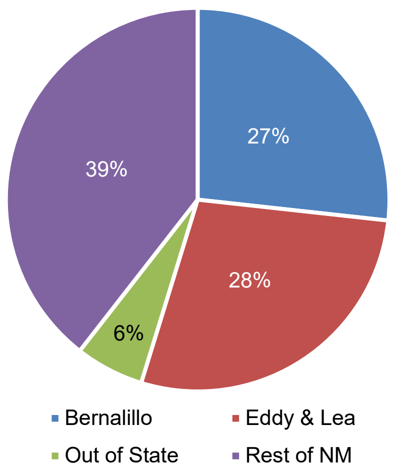



New Mexico's natural gas production boom has begun to slow as well, although not at the same rate as oil. New Mexico produced an estimated 3.92 trillion cubic feet of natural gas in FY25, an increase of 12.5 percent from FY24. The consensus forecast estimates natural gas production will average 11.5 billion cubic feet/day in FY26 and 11.9 bcf/day in FY27. Annual growth in FY26 through FY30 hovers around the forecast average of 3.5 percent. Forecasters are not expecting the natural gas plateau within the forecast period as takeaway capacity increases in the state and oil companies turn to "gassier" tier 2 or tier 3 plays and capitalize on the steady demand for natural gas.

| Fiscal Year | *2025* | *2026* | *2027* |
|---|---|---|---|
| | *Prelim.* | *Forecast* | *Forecast* |
| **Gross Oil Price** ($/bbl) | $69.00 | $60.50 | $60.50 |
| **Oil Volume** (MMbbls) | 775 | 800 | 825 |
| **Oil Volume** (MMbbls/day) | 2.12 | 2.19 | 2.26 |
| **Gross Natural Gas Price** ($/mcf) | $3.31 | $4.42 | $4.77 |
| **Net Natural Gas Price** ($/mcf)* | $2.12 | $3.14 | $3.44 |
| **Natural Gas Volume** (bcf) | 3,915 | 4,200 | 4,335 |
| **Natural Gas Volume** (bcf/day) | 10.73 | 11.50 | 11.88 |

* Net prices are based on the taxable value of the product after deductions for transportation, processing, and royalties.

**Share of Total FY27 MTGR Forecasted by County**




Source: LFC Files

Natural gas prices averaged $3.31 per thousand cubic feet (mcf) in FY25, up from FY24 but down significantly from $5.40 in FY23 and $7.15 in FY22 as companies struggled to pipe natural gas out of the basin as a byproduct of oil drilling. The Energy Information Administration and NYMEX project national gas prices (Henry Hub) to mostly remain below $4.00/mcf through 2026 and as low as $3.19/mcf as higher inventories, warm winters, and high production weigh on prices in the short-term. New Mexico’s natural gas prices averaged 28 cents/mcf higher than national prices in FY25, down from a high of $1.67/mcf in FY22 and is expected to fall further as Permian Basin pipeline capacity constraints weigh on prices.

## General Fund Revenue Forecast

### Gross Receipts Taxes

Data from the Taxation and Revenue Department shows matched taxable gross receipts (MTGR)—a better measure of economic activity than tax revenue because it measures the spending subject to the gross receipts tax and not altered by changing tax rates —were up 4.9 percent in FY25 through May compared with FY24, a slowdown from 6.4 percent growth in FY24, 14.6 percent growth in FY23, and 21.7 percent growth in FY22. Strong collections have been the result of higher spending in the mining sector, record public investments in construction, high consumer savings, strong wage and consumption growth, and relatively high inflation. However, falling inflation, slower mining activity, and depleted consumer savings are beginning to translate into lower expectations for revenue collection growth.

**Matched Taxable Gross Receipts by Industry - FY25 vs FY24, through May**

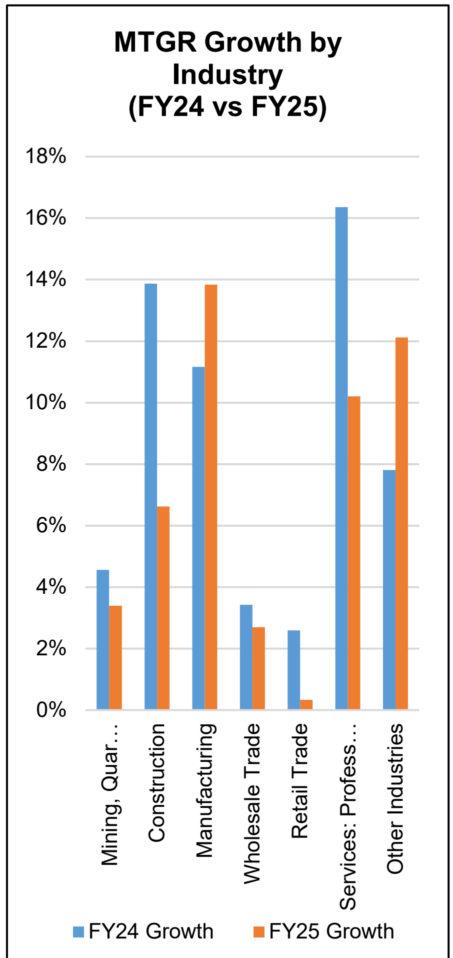
| Industry | Matched Taxable Gross Receipts | Year-over-Year Growth | Year-over-Year Change |
|---|---|---|---|
| Mining, Quarrying, and Oil and Gas Extraction | $11,308,055,092 | $371,458,403 | 3.4% |
| Utilities | $2,984,551,527 | $105,276,364 | 3.7% |
| Construction | $12,424,322,189 | $771,248,120 | 6.6% |
| Manufacturing | $3,678,353,523 | $447,076,849 | 13.8% |
| Wholesale Trade | $4,851,196,760 | $127,586,612 | 2.7% |
| Retail Trade | $19,067,124,725 | $63,109,352 | 0.3% |
| Transportation and Warehousing | $1,559,058,683 | $58,050,965 | 3.9% |
| Information | $2,492,820,025 | $216,880,148 | 9.5% |
| Real Estate and Rental and Leasing | $2,719,586,378 | $235,591,130 | 9.5% |
| Professional, Scientific, and Technical Services | $9,647,023,025 | $893,010,358 | 10.2% |
| Administrative/Support & Waste Management/Remediation | $3,868,759,448 | -$213,192,223 | -5.2% |
| Health Care and Social Assistance | $4,513,610,940 | $186,270,606 | 4.3% |
| Leisure and Hospitality Services | $6,312,803,413 | $60,341,099 | 1.0% |
| Other Industries | $10,353,856,839 | $1,119,251,170 | 12.1% |
| **Total** | **$95,781,122,566** | **$4,441,958,952** | **4.9%** |

Source: RP500

The largest sources of FY25 MTGR growth are “other industries” (driven by growth in unclassified establishments) and professional, scientific, and technical services followed closely by growing spending in construction activity. All industries, except for administrative support and waste management, experienced some growth. Even with slowing growth in the mining sector, Eddy County contributed second most to overall growth among counties, trailing only Bernalillo County which was bolstered by huge growth in public administration. Lea, Santa Fe, and Dona Ana counties came next with construction and services growth spurring moderate overall growth.

Of the total MTGR activity in the state, nearly one third is oil and gas related. Driven by activity in the Permian Basin, GRT revenue is growing increasingly volatile; more than a billion dollars in general fund GRT revenue is related to the industry. As GRT revenue from the industry grows, the risk of losses resulting from an oil and gas industry bust grows as well. Similarly in the forecast, the oil and gas production slowdown drags down GRT growth.

Gross receipts tax revenue in FY25 is estimated 4.9 percent above FY24, in line with MTGR growth as large prior legislative adjustments completely phased-in in FY24. The largest reduction in tax revenue is from two one-eighth reductions in the statewide gross receipts tax rate in FY23 and FY24, with the total loss of the quarter percent reduction at about $263.2 million in FY25. Other GRT deductions passed in the last several legislative sessions further erode potential GRT growth. GRT revenue growth is slowing slightly in FY26, estimated at 3.5 percent over FY25, and is expected to remain between 2.5 percent and 3.6 percent a year through FY30.

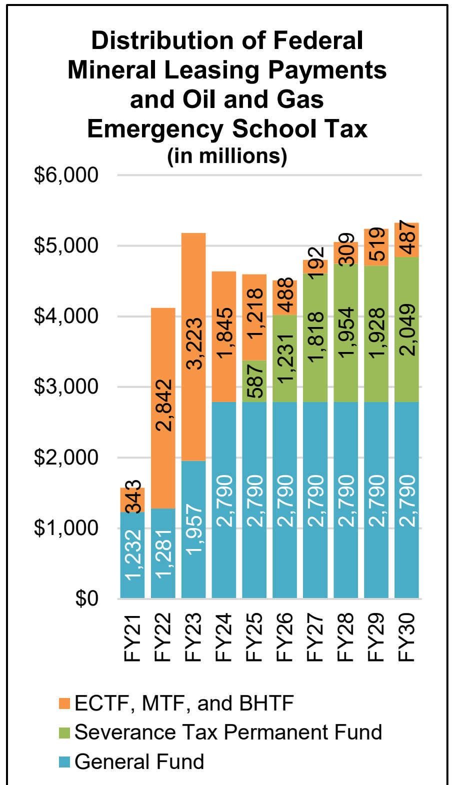


Source: RP500

## Severance Taxes and Federal Royalties

Severance tax collections—which include the oil and gas school tax, oil conservation tax, resources excise tax, and natural gas processors tax—are projected to total $1.97 billion in FY26, an increase of $25.7 million, or 1.3 percent, from FY25. Oil and gas production remains historically high but is growing at a slower pace, while prices fall. Despite declining topline revenue in FY25, changes enacted by the Legislature help buffer the general fund from volatility by redirecting portions of these revenues to various trust funds and permanent funds based on historical averages and identified thresholds.

Excess oil and gas school tax revenue and federal mineral leasing (FML) payments are distributed to trust funds and permanent funds before reaching the general fund. School tax revenues above FY24 levels will be split between the tax stabilization reserve (if reserves fall below 25 percent), the early childhood education and care trust fund (ECTF), the severance tax permanent fund, and—new for FY26 thorough FY28—the behavioral health trust fund (BHTF). The BHTF receives half of the amount that would have otherwise gone to the ECTF. These targeted distributions bolster the state's capacity to invest in early childhood programs and behavioral health services.

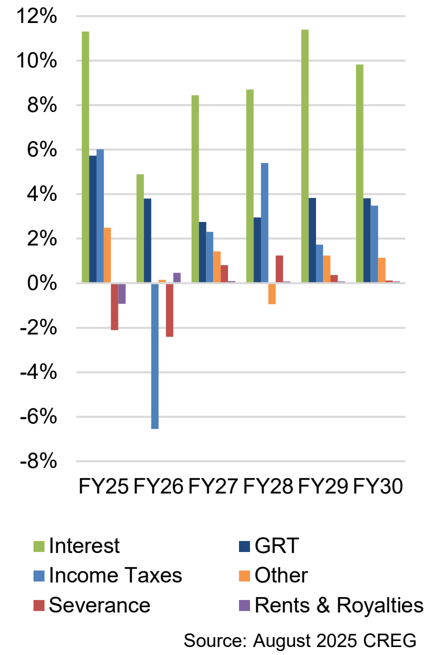


Source: August 2025 CREG

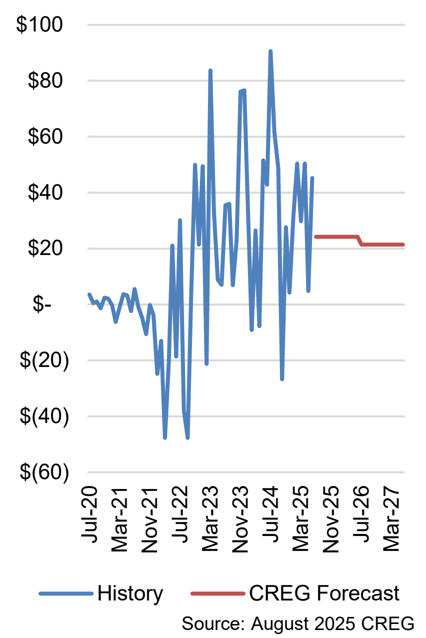
Similarly, gross federal mineral leasing revenue is projected to total $2.79 billion in FY25, but only $1.64 billion will reach the general fund after distributions to the ECTF and the severance tax permanent fund (STPF). Senate Bill 88 (2025) created the Medicaid trust fund (MTF) and created a new distribution of half of the ECTF portion of excess FML revenue into that fund in FY26 through FY28. In FY26, an estimated $270.1 million will be distributed to the ECTF and MTF, and $729.4 million will flow to the STPF, supporting both long-term fiscal sustainability and future Medicaid needs.

From FY25 to FY30, the new forecast anticipates over $3.2 billion in mineral leasing and severance taxes will be deposited into the ECTF, BHTF, and MTF. In addition, over $9.6 billion will be directed to the STPF during the same

**Percent Change in Recurring General Fund Revenue (year-over-year)**




**Monthly STO General Fund Distributions, History and Forecast (in millions)**




period. These investments ensure that a significant share of volatile oil and gas revenue is used to strengthen the state's long-term fiscal position and expand the capacity of key public service programs. By prioritizing these dedicated transfers, New Mexico is advancing a more resilient fiscal structure—one that leverages current resource abundance to prepare for future obligations and invest in critical long-term priorities.

## Investment Earnings

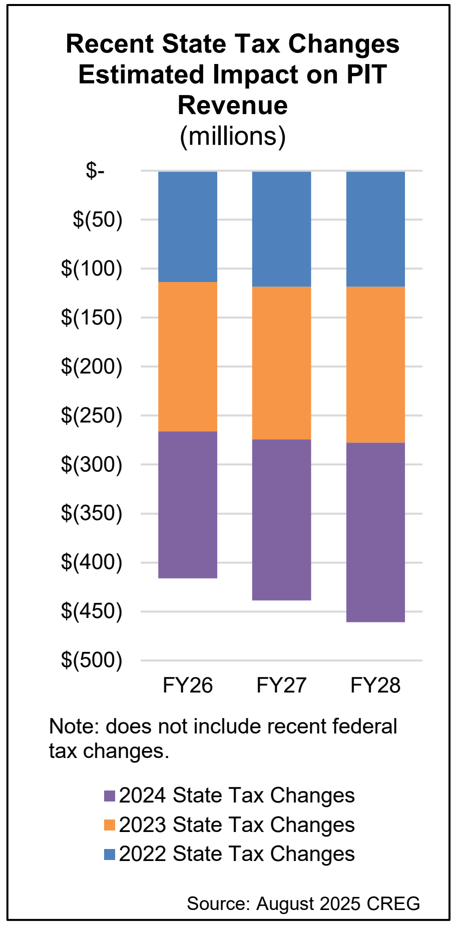
The record strength of oil and gas production and high prices resulted in contributions of $2.8 billion to the land grant permanent funds (LGPF) in 2023 and a smaller amount as prices declined totaling $2.3 billion in 2024. The fund, which receives royalty payments for oil and gas production on state lands, has also experienced strong investment earnings, helping the value of the LGPF to reach over $33.7 billion as of May 2025. The severance tax permanent fund also grew from large severance tax contributions of $2.4 billion over the last two years and reached a balance of $10.7 billion in 2025.

Although the permanent funds receive income from oil and gas production, distributions to the general fund are set as a percentage of the five-year average ending balance of the fund, mitigating the effects of energy market booms and busts. Distributions to the general fund from both the LGPF and the STPF will grow by an average of $171.4 million a year and $63.1 million a year, respectively. From FY25 to FY30, the estimated average annual growth in the general fund for these sources is 12.9 percent, well over the long-term growth-rates and also the most stable revenue source in the general fund. For the first time, total investment earnings benefiting the general fund are expected to exceed personal income taxes to become the second largest source of revenue beginning in FY27.

In the 2022 general election, voters approved a constitutional amendment to increase the distribution from the permanent school fund—the largest component of the LGPF—from 5 percent of the five-year average to 6.25 percent. The additional distribution will flow to the general fund, earmarked at 60 percent for early childhood education and 40 percent for public school initiatives and teacher salaries. The additional distribution is estimated at $246.4 million in FY24, $274.9 million in FY25, $304.6 million in FY26, and $337.2 million in FY27.

Investment revenue from the State Treasurer's Office (STO) resulted in general fund transfers totaling $181.4 million for FY23, a record high after posting a $118.3 million loss to the general fund in FY22. Interest earnings in FY24 and FY25 were even higher, a whopping $390.5 million and $418.1 million. Fund balances have reached record levels due to higher-than-expected state revenues, a lag in transferring excess oil and gas money to investment funds, and large unspent balances in agency budgets and capital funds. These high balances are invested at currently high interest rates, making up for negative changes in market value. The fund returns were boosted further by market anticipation of sinking interest rates in FY25. When interest rates decrease, the market value of existing fixed-rate bond holdings increases. When interest rates increase, existing asset holdings' values fall. STO interest earnings are estimated to be $290.6 million in FY26 and $257.1 million in FY27, though a shifting federal interest rate landscape could cause rapid changes with little notice.

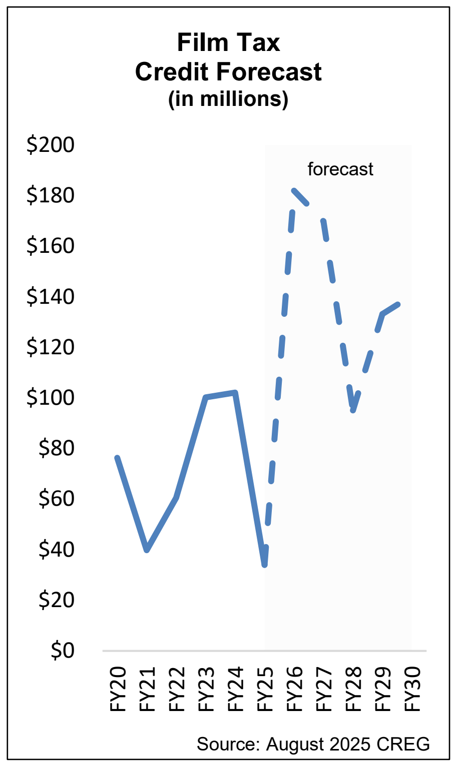
Investments in the state general fund investment pool (SGFIP) have become a major source of volatility. Over the last two five-year periods, earnings on general fund balances managed by the State Treasurer's Office (STO) have become the most volatile source of revenue in the general fund. As balances in that pool have risen to exceed $10 billion, interest rates have fluctuated dramatically, and investor expectations for interest rates have been more volatile, the market-valued holdings in the SGFIP have varied wildly. The value of the SGFIP holdings has grown or shrunk by over 1,000 percent on average, year-over-year, in the last five years. This has led to inaccurate forecasts of this revenue historically and introduced extreme volatility to budget development.




## Income Taxes

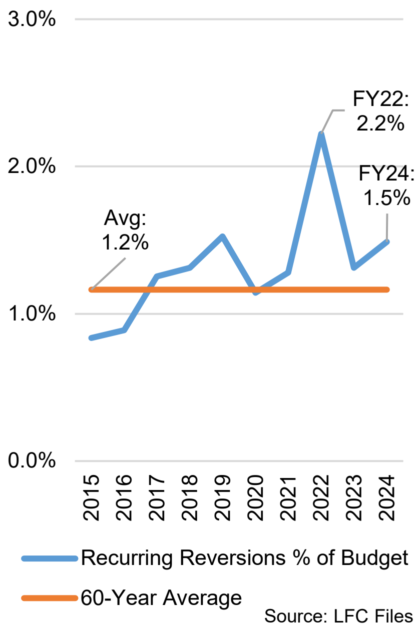
Income tax revenues beat expectations in FY25 because of modestly stronger individual income tax receipts and an unexpected delay in film tax credit payouts. Income taxes were $3.01 billion in FY25, up 6.0 percent, or $170.5 million, compared with FY24. Following legislative changes to entity-level income taxes in 2022 and 2023, receipts attributable to pass-through entities (PTE) will now accrue alongside other corporate income taxes and not with personal income taxes, as was practice before FY24.

***Corporate Income Taxes (CIT).*** Gross CIT generated $525.5 million in FY25, down 0.7 percent from FY24. Receipts attributable to pass-through entities (PTE) are estimated at $322.6 million in FY25, about in line with expectations. As federal tax policy changes take effect in tax year 2025 and beyond, corporate income tax revenues are expected to fall in FY26. The magnitude of CIT revenue impacts associated with federal tax changes are discussed on page 13. Underlying corporate income tax and PTE revenue are expected to remain mostly unchanged from the previous forecast.




However, film tax credits—which are deducted from CIT—were $34 million in FY25, a 66.7 percent decrease from FY24 and $154.6 million below the previous estimate. Because film tax credits are deducted from CIT, this unexpected decrease in payouts resulted in higher net CIT revenues to the general fund. Because the credits have already been approved for payout by the Economic Development Department and Taxation and Revenue Department, it is unclear why companies did not claim the credits in FY25, though the credits are now expected to be claimed in FY26. The Economic Development Department reports FY25 production activity was down 56.4 percent compared with FY24 which lowered expectations for credit payouts in the next three years. Film tax credit payouts are expected to return to historical trends in FY26 and FY27 though, in FY28, the effects of the FY25 slowdown are expected to reduce film credits by 44 percent, increasing total CIT revenues.

***Personal Income Tax (PIT).*** FY25 personal income tax collections were down 0.7 percent from FY24. The modest year-over-year slowdown was the result of PIT bracket reductions and slowing oil and gas withholding revenues. In the previous estimate the slowdown in revenue collections was expected to be larger but preliminary data suggests other tax changes made in the 2024 legislative session had smaller-than-expected revenue losses. In FY26, recent federal tax changes are expected to decrease PIT revenues through New Mexico's tax code which "piggy-backs" from the federal return. The changes in federal personal income taxes include new deductions for car loan interest, Share of Recurring Appropriations Reverted




Source: LFC Files

**Effect of Changes in Oil and Gas Prices and Volumes**

Based on projected FY26 direct oil and gas revenues (severance taxes and federal royalties):

- A $1 change in the annual average NM price of oil has about a $56.9 million impact;
- A 10-cent change in the annual average New Mexico price of natural gas has about a $25.7 million impact;
- Each additional million barrels of oil generates about $4.4 million in severance taxes and federal royalties; and
- Each additional 10 billion cubic feet of natural gas generates about $2.9 million in severance taxes and federal royalties.

Because the consensus forecast projects large transfers to the early childhood trust fund and the severance tax permanent fund in FY26, the impact of price and production changes would first affect those transfers before affecting the general fund.

These general rules do not consider indirect impacts of prices and production changes on the general fund, such as gross receipts tax revenue from drilling activity or income taxes from production employment.

and a larger personal standard deduction. The combined impacts of those provisions are expected to reduce New Mexico's personal income tax collections by $117.7 as reflected on page 13.

State tax changes from 2019 to 2024 decrease expected revenues throughout the forecast period. The change to PIT brackets likely already dampened receipts in FY25 and in FY26, the impact is expected to be $159 million as New Mexicans benefit from lower tax rates (see Attachment 9 for all tax changes).

### Reversions

In FY22, $165.7 million was reverted to the general fund from unspent appropriations made to agencies for general operations, representing 2.2 percent of the FY22 budget. General fund reversions from unspent agency budgets were $110.5 million in FY23, or 1.3 percent of recurring appropriations, and $142.5 million in FY24, or 1.5 percent of recurring appropriations in that year. Historical levels of recurring reversions have hovered around 1.2 percent of recurring appropriations, but nonrecurring reversions, money unspent from nonrecurring appropriations or from federal sources, has increased dramatically since 2022. The increase in nonrecurring appropriations in recent years was injecting significant uncertainty into the forecast as significant reversions come from these sources. Senate Bill 88 (2025) establishes the Medicaid Trust Fund and directs that, beginning in FY26, any general fund reversions exceeding $110 million annually be transferred to the trust fund until it reaches a balance of $2 billion. This policy reduces volatility in reversion revenue by setting a predictable cap on the amount retained by the general fund, but it also limits upside revenue potential in high-reversion years.

Delays in the reporting of reversions further complicates estimates as financial details are not disclosed until long after the close of the fiscal year. New Mexico is one of the few states that does not report the complete fiscal year collections until December, with more than 45 states reporting the information by October, which results in large adjustments to prior year forecasts months after the fiscal year has ended.

## Forecast Risks

### Oil and Natural Gas Market Dynamics

New Mexico's reliance on the oil and gas industry (see Attachment 4) continues to make commodity price volatility the most significant risk to the general fund forecast. While strong prices and production growth support upward revisions to transfers to the early childhood trust fund, the behavioral health trust fund, the Medicaid trust fund, and severance tax permanent fund, downside risks remain acute—not only to severance and royalty revenues, but also to gross receipts and income tax collections.

Recent market analysis from Rystad Energy and others highlights that breakeven prices for New Mexico wells have risen considerably due to inflationary pressures on labor, equipment, and services. The average breakeven price for existing wells in New Mexico has increased to approximately $45 per barrel, on average as of early 2025, up from a prepandemic average of $29.60 per barrel. For new wells, breakeven prices are even higher. These rising thresholds narrow the margin between profitability and loss, increasing the likelihood of production slowdowns if prices fall—particularly as producers confront natural decline rates and higher financing costs in a more constrained capital environment.

Supply-side uncertainty from OPEC+ adds further risk. After multiple rounds of production cuts to stabilize global oil markets, OPEC+ is again reevaluating quotas at its upcoming August 2025 meeting. OPEC+ policy decisions remain a significant driver of global prices. Cuts could lift prices and bolster New Mexico revenues, while increases could depress prices and production. The unpredictable nature of OPEC+ coordination has introduced sustained volatility into global energy markets, complicating investment planning and contributing to the fragility of New Mexico's oil-driven revenue base.

Federal policy is also injecting uncertainty into the oil and gas forecast. First, the federal Royalty Resiliency Act has increased uncertainty in the state revenue outlook by allowing oil and gas companies to retroactively claim refunds on past federal royalty payments. Due to limited information on the magnitude and timing of these claims, the fiscal impact remains difficult to estimate. The forecast expects $50 million annual general fund revenue decrease from FY26 to FY28, because of these changes, although positive and negative risks remain.

In addition to the potential impacts of the Royalty Resiliency Act, changes to the federal royalty rate present further uncertainty for New Mexico's oil and gas revenue outlook. While the federal Inflation Reduction Act increased the royalty rate for new federal leases from 12.5 percent to 16.67 percent, title five subtitle A of H.R. 1 (P.L. 119-21) reduced it back to 12.5 percent. The CREG has conservatively maintained the lower 12.5 percent rate in its forecasts even while higher rates were in effect due to limited lease issuance during the higher-rate period and uncertainty about production timing. As a result, downward revisions to the forecast because of the lower rate were not required.

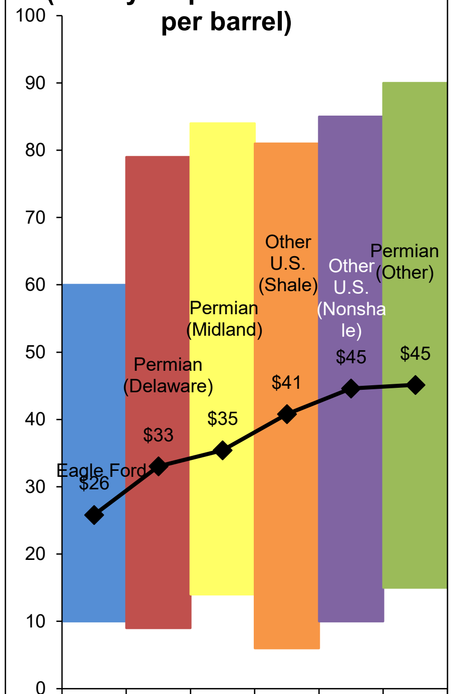
However, analysis by Resources for the Future estimates that increased federal royalty rates could have generated an additional $1.7 billion for New Mexico through FY35, depending on lease uptake and future production. This potential downside of the reversion to the lower rate is highly sensitive to federal leasing policy, industry behavior, and market conditions and remains a key variable.

## Recession Risks

The most recent survey of business and academic economists polled by the *Wall Street Journal* in July put the risk of a U.S. recession at 33 percent, down from 45 percent in April but up from the end of 2024. Neither Moody's nor S&P Global's baseline economic forecast includes a recession within the forecast period. Because the baseline forecasts are the underpinnings for the consensus revenue forecast, the risk is similarly excluded from the revenue projections.

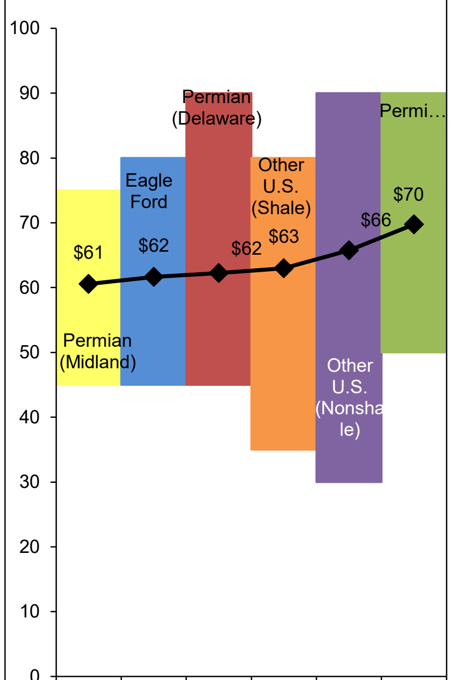
The pessimistic scenario used in the sensitivity analysis includes a U.S. recession from the third quarter of 2025 through the first quarter of 2026 as tariffs, retaliatory tariffs, rising inflation, deportations, and action from the Federal Reserve weigh on the economy. Under this scenario, the recovery begins in the second quarter of 2026 and the economy does not return to full

**WTI Oil Price Needed to Cover Operating Expenses for Existing Wells (survey responses in dollars per barrel)**

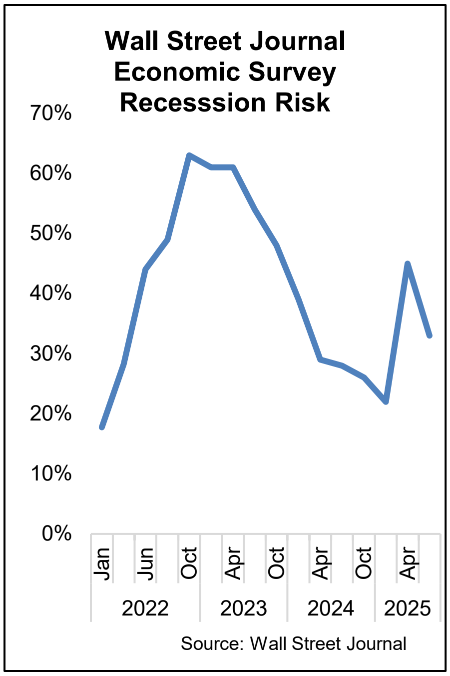


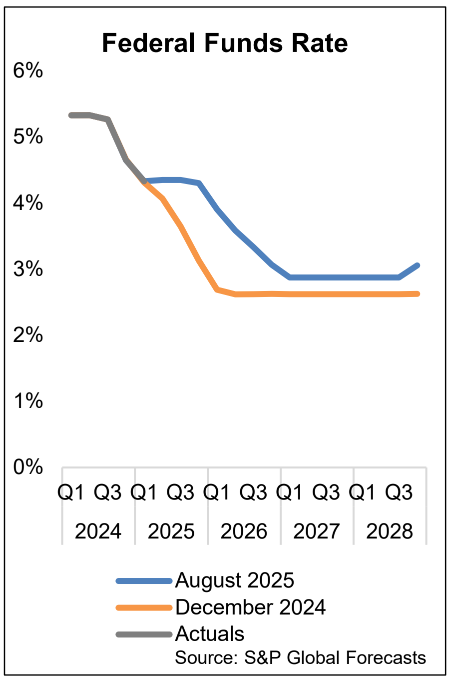

March 12–20, 2025
Source: Federal Reserve Bank of Dallas.

**WTI Oil Price Needed to Profitably Drill a New Well (survey responses in dollars**




March 12–20, 2025
Source: Federal Reserve Bank of Dallas




employment until the second quarter of 2030. A recession would dampen wages and salaries and consumer spending, posing serious downside risks to both income tax and GRT collections.

### Inflation

The path of inflation and federal policies aimed at bringing it to lower, sustainable levels will greatly affect the forecast. Inflation poses both direct upside and downside risks for state revenue. Additionally, inflation could impact the health of the entire economy, further impacting state revenues.

National consumer price inflation is projected to move toward the Federal Reserve's target over the medium term. Although inflation rates remain well below their pandemic-era peaks and recent risks have moderated, some upward pressure persists. The current forecast anticipates inflation will stay above 2 percent through FY27, a modest increase from the prior projection. Both S&P Global and Moody's Analytics incorporate higher effective tariff rates in their outlooks to reflect the effects of increased import duties. Each forecaster also expects the Federal Reserve to maintain its current monetary policy stance, gradually lowering the policy rate to its estimated neutral level of about 3 percent by late 2026 or early 2027.

### Revenue Volatility

The last five fiscal years have exhibited the most revenue volatility in 40 years and the most continuous volatility in state history. Rising revenue volatility has complicated state revenue forecasting and challenged state budgetary planning, threatening the stability of essential public services. The state has expanded its efforts to stabilize revenues by creating distributions of some windfall oil and gas collections. This method has been successful at reducing volatility. For example, distributions to the early childhood education and care trust fund tamped down revenue volatility by 37 percent in the five-year period following enactment.

New sources of revenue volatility have emerged. For example, New Mexico's corporate income tax revenues are three times as unstable as the national average. Over the last 10 years, earnings on general fund balances managed by the State Treasurer's Office (STO) have become the most volatile source of revenue in the general fund. Although corporate income tax receipts and treasury earnings only make up 7.8 percent of revenues in FY24, volatility from these sources could contribute to shrinking or expanding revenue growth with little to no warning.

## Revenue Impacts of Federal Policies

Federal policy changes can significantly influence New Mexico's state revenues. Since the previous forecast, several major policy changes have taken effect, with additional changes anticipated during the forecast period. These changes can affect state revenues directly—through mechanisms such as New Mexico's conformity to portions of the federal tax code, adjustments to Medicaid that may affect insurance tax collections, or modifications to federal royalty rates on oil and gas production from federal lands within the state—or indirectly, through shifts in federal fiscal policy that ripple through the broader economy. Wherever possible, the Consensus Revenue Estimating Group

(CREG) has incorporated both direct and indirect impacts into the current forecast.

### H.R. 1 Impacts

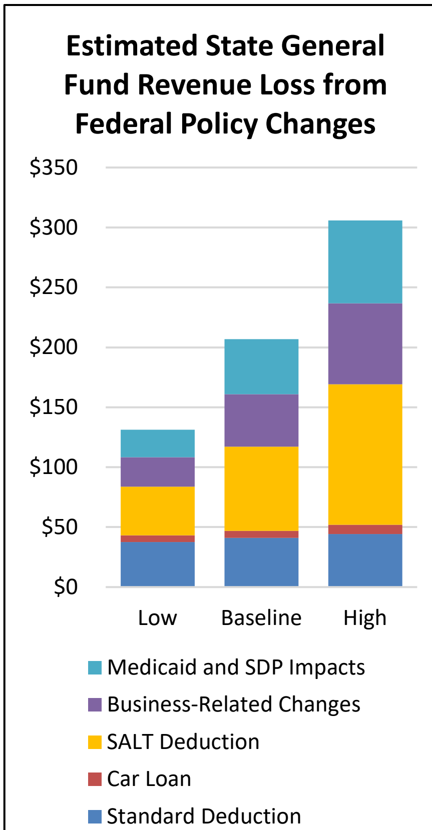
On July 3, 2025, Congress passed H.R. 1, commonly known as the One Big Beautiful Bill Act (OBBA), which the President signed into law on July 4, 2025 (P.L. 119-21).

Title VII, Subtitle A, contains several provisions expected to affect New Mexico tax revenues. Chapter 1, Section 2 increases the federal standard deduction, to which New Mexico conforms, relative to a baseline extension of the Tax Cuts and Jobs Act.

Chapter 1, Section 20 temporarily raises the cap on the federal deduction for state and local taxes (SALT) from $10,000 to $40,000. After the 2017 Tax Cuts and Jobs Act (TCJA) reduced the SALT cap to $10,000, New Mexico and 35 other states created provisions allowing pass-through businesses to bypass the cap, lowering their federal tax burden but increasing state revenues by subjecting them to a higher effective state tax rate. By increasing the SALT cap, Section 20 unwinds much of this state revenue gain, as fewer businesses are expected to elect state-level entity taxation.

Chapter 2, Section 4 creates a new deduction—up to $10,000—for interest paid on personal-use passenger vehicles purchased between 2025 and 2028, subject to phase-out thresholds. Chapter 3 introduces multiple changes to federal business tax provisions with which New Mexico conforms.

Title VII, Subtitle B, establishes new eligibility requirements for Medicaid, which are expected to reduce program enrollment and lower federal funding for medical care in New Mexico. Reduced enrollment will decrease total insurance premiums paid, thereby lowering insurance premium tax collections. In addition, new limits on state-directed payments to hospitals will further reduce both insurance premium taxes and the gross receipts taxes paid on those payments.



Source: CREG, LFC Analysis

**Federal Policy Changes Impacting New Mexico State Revenues**

| H.R. 1 Section | Description | CREG Estimated Impact | LFC Scenario Low | LFC Scenario High |
|---|---|---|---|---|
| 70102 | Enhancement of increased standard deduction | ($41.0) | ($37.7) | ($44.3) |
| 70203 | No tax on car loan interest | ($6.5) | ($5.5) | ($7.6) |
| 70120 | Limitation on individual deductions for certain state and local taxes | ($70.2) | ($40.5) | ($117.2) |
| 70301-70352 | All other changes to business-related federal tax provisions | ($43.6) | ($24.6) | ($67.7) |
| 71101-71118 | Changes to Medicaid and state-directed payments | ($46.0) | ($23.0) | ($69.0) |
| | **Total** | **($206.8)** | **($131.3)** | **($305.8)** |

Note: all values are changes from the previous CREG forecast baseline. The CREG estimated impact reflects average changes across the forecast period, FY26 through FY30.
Sources: August 2025 CREG, LFC high- and low-scenarios

Separately, Title V, Subtitle A reduces the federal royalty rate for oil and gas production on federal lands from prior higher rates back to 12.5 percent. New Mexico receives a share of these royalty payments for production within state borders. However, because CREG maintained the lower 12.5 percent rate in prior forecasts—due to limited lease issuance during the higher-rate period and uncertainty about production timing—no downward adjustment to the current forecast was necessary.

In addition, OBBA alters direct federal spending by increasing funding for national defense, border security, and immigration enforcement, while reducing spending in other areas, primarily Medicaid. The indirect effects of these changes are embedded in the baseline U.S. macroeconomic forecasts produced by S&P Global and Moody's Analytics, which CREG uses to develop the state's general fund revenue estimates.

***Other Forecast Risks.*** Additional risks to the forecast include uncapped growth in film tax credit payments to New Mexico production partners; higher-than-expected municipal distributions from destination-based gross receipts tax sourcing; elevated general fund reversions from state agencies; state and federal regulatory changes; global conflicts; unexpected financial system instability; environmental regulation enforcement actions; taxpayer compliance issues; and Taxation and Revenue Department enforcement of overdue taxes.

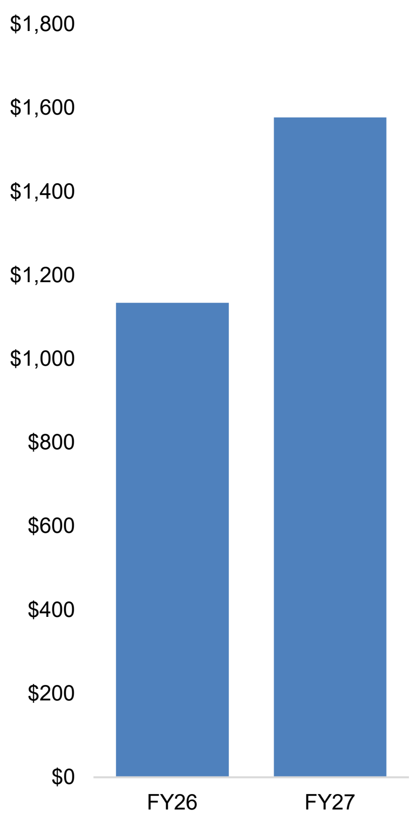
## Stress Testing the Revenue Estimate

While the revenue forecast inherently faces upside and downside risk, stress testing helps the Legislature prepare for these risks by looking at a range of alternative outcomes and contextualizing the current estimate with historical trends. These sensitivity and trend analyses can help determine target reserve levels and inform the recurring budget process.

### Sensitivity Analysis

The sensitivity analysis uses alternative macroeconomic scenarios from Moody's Analytics—an economic upside (S1), economic downside (S3), and low-oil price scenario (S8). The CREG used these scenarios, as well as historical revenue responses to different economic conditions, to determine the sensitivity of the state's largest revenue sources—including severance taxes, federal mineral leasing payments, personal and corporate income taxes, and gross receipts taxes—to theoretical changes in the state's economic performance.

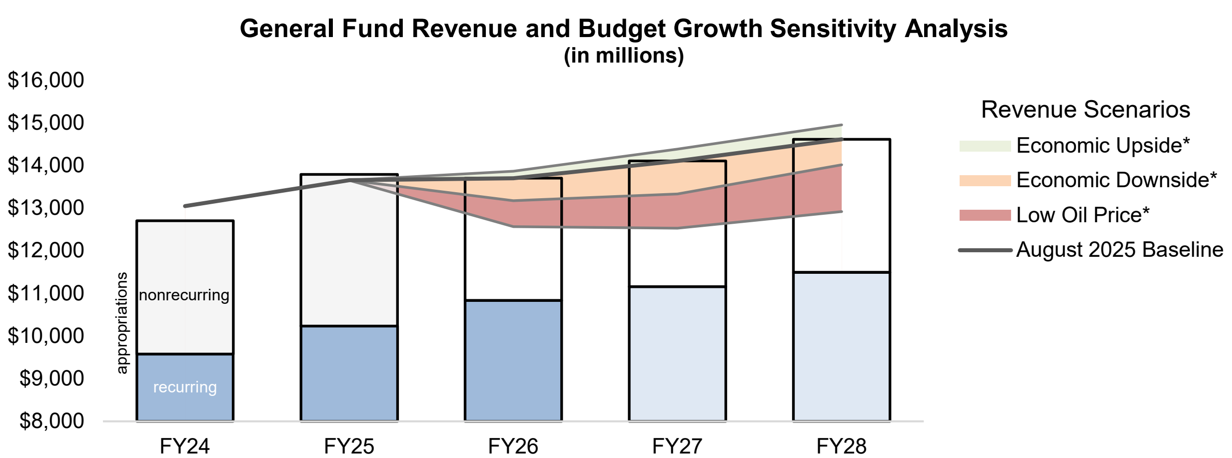
**Funds or Reductions Needed to Meet Stress Test Scenario**
**(millions)**




Source: LFC Analysis of August 2025 CREG

***Mitigation from Distributions of Excess Oil and Gas Revenue.*** In the low oil price scenario, Moody's assumes oil prices would fall below $35/bbl beginning in FY26. Low prices would result in oil and gas production declines, losses in drilling-related GRT receipts, and related employment losses. Should this occur, severance tax and federal royalty collections would fall substantially below the baseline forecast. Some of the loss in these revenues would be first absorbed through reduced distributions to the early childhood trust fund and severance tax permanent fund; however, the general fund would still see significant declines. The general fund would also experience losses in GRT on oil and gas drilling and completion activity and reduced income taxes from related profits losses, jobs losses, and oil and gas pass-through withholding.

Although the low oil price scenario results in tax collections that are $3.6 billion below the consensus forecast for FY27, about 60 percent of that impact would be to trust fund and severance tax distributions. Still, the scenario results in general fund revenues about $1.1 billion below the consensus forecast in FY26 and $1.6 billion below the forecast in FY27. In this scenario, the state would need $2.7 billion in reserves, or from other funds, with the current 6 percent spending growth target to avoid spending cuts through FY27. This scenario also assumes nonrecurring spending is reduced under the baseline scenario not to exceed total revenue collections estimated.




*Scenarios are informed by Moody's Analytics' alternative scenarios published July 2025. The upside scenario is designed so that there is a 10% probability that the economy will perform better and a 90% probability that it will perform worse. The downside scenario is designed so that there is a 90% probability that the economy will perform better and a 10% probability that it will perform worse. The low oil price scenario is designed to reflect the impact on the economy under the assumption of lower oil prices. Recurring appropriations are grown 6% from current levels. Nonrecurring apprpriations are kept flat.

Source: August 2025 CREG

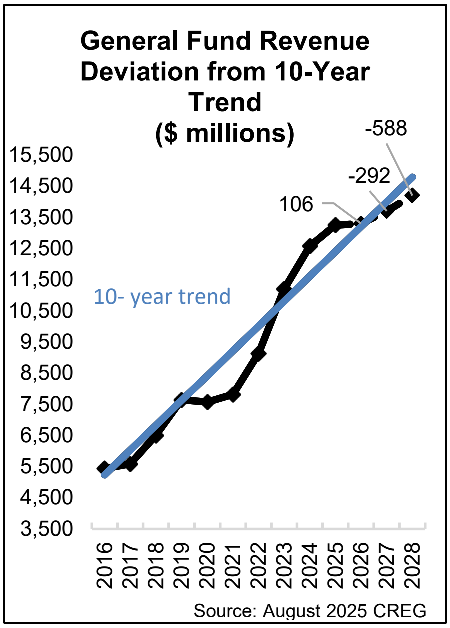
| | | S8: Low Oil Price | | | S3: Economic Downside | | | S1: Economic Upside | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **Scenario** | **FY26** | **FY27** | **FY28** | **FY26** | **FY27** | **FY28** | **FY26** | **FY27** | **FY28** |
| 1 | Severance Taxes to GF | -$289 | -$303 | -$272 | -$29 | -$33 | -$21 | $6 | $7 | $3 |
| 2 | Federal Mineral Leasing to GF | -$170 | -$338 | -$301 | $0 | $0 | $0 | $0 | $0 | $0 |
| 3 | Gross Receipts Taxes | -$407 | -$580 | -$699 | -$273 | -$434 | -$387 | $117 | $205 | $257 |
| 4 | Corporate Income Taxes | -$140 | -$186 | -$195 | -$98 | -$149 | -$85 | $20 | $27 | $36 |
| 5 | Personal Income Taxes | -$129 | -$171 | -$231 | -$126 | -$157 | -$105 | $17 | $38 | $43 |
| 6 | | | | | | | | | | |
| 7 | General Fund Difference from Baseline | -$1,135 | -$1,578 | -$1,698 | -$526 | -$773 | -$598 | $160 | $277 | $339 |
| 8 | *General Fund Percent of Total Impact* | *40%* | *44%* | *43%* | *30%* | *33%* | *36%* | *39%* | *46%* | *64%* |
| 9 | | | | | | | | | | |
| 10 | Severance Taxes to TSR or ECE | -$219 | -$109 | -$190 | -$219 | -$109 | -$164 | $108 | $105 | $17 |
| 11 | Severance Taxes to STPF | -502 | -$723 | -$745 | -331 | -$537 | -$247 | 3 | $25 | $51 |
| 12 | Federal Mineral Leasing to ECE | -$287 | -$90 | -$130 | -$287 | -$90 | -$130 | $142 | $172 | $51 |
| 13 | Federal Mineral Leasing to STPF | -$729 | -$1,099 | -$1,215 | -$388 | -$808 | -$509 | $0 | $29 | $68 |
| 14 | TSR/ECE Transfers Diff. from Baseline | -$1,737 | -$2,021 | -$2,280 | -$1,225 | -$1,544 | -$1,050 | $253 | $331 | $187 |
| 15 | *TSR/ECE/STPF Transfers Percent of Total Impact* | *60%* | *56%* | *57%* | *70%* | *67%* | *64%* | *61%* | *54%* | *36%* |
| 16 | Total Difference from Baseline | -$2,872 | -$3,599 | -$3,978 | -$1,751 | -$2,317 | -$1,648 | $413 | $608 | $526 |

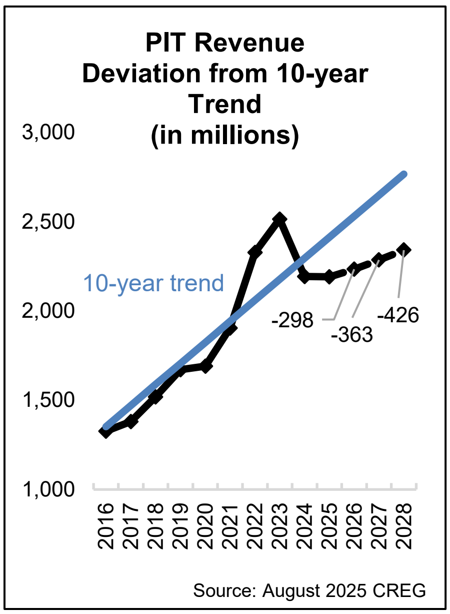
Note: in millions

## Trend Analysis and Long-Term Outlook

In addition to the sensitivity analysis, the CREG calculated a 10-year trend for major revenue sources—gross receipts taxes, income taxes, severance taxes, investment income, and rents and royalty payments—and compared current revenue estimates to that trend to identify outliers. Using historical data from FY15 to FY24, the 10-year trend line is projected forward through FY28.

***Revenue Forecast Returning to and Falling Below Trend.*** General fund revenues are projected to return to—and then fall below—the 10-year trend over the next three fiscal years, coming in $106 million above trend in FY26, $292 million below in FY27, and $588 million below in FY28. The trend is elevated by the boom years beginning in 2022, and revenues are expected to normalize as the economy moderates, wage growth slows, and key drivers return to historical patterns. Given this below-trend outlook and growing reliance on volatile revenues, best practices suggest directing current surpluses to nonrecurring uses to reduce future budget volatility.



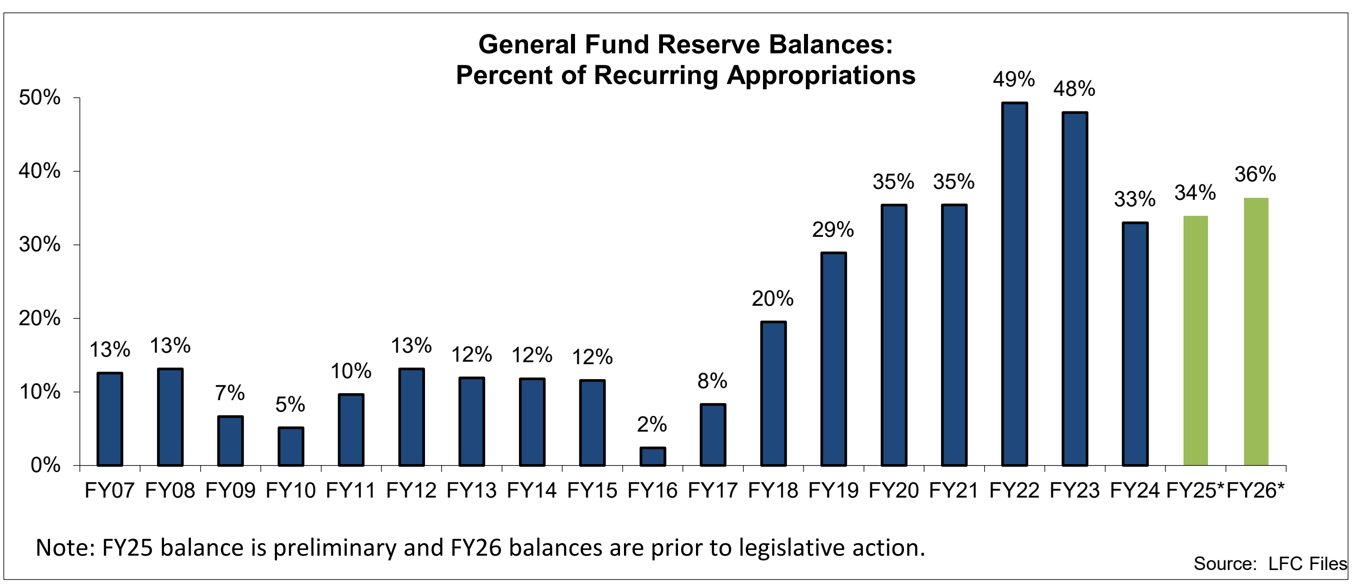




## General Fund Financial Summary

Used as a guide for policymakers, the financial summary conveys complex audit reports into a high-level overview of the state's general fund transactions. The summary is also useful to investors interested in the state's financial health and presents an accurate picture of the revenues, spending, and reserves.

Historically, five accounts were in the state's reserves: the operating reserve, the tobacco settlement permanent fund, the appropriation contingency fund, the state support reserve fund, and the tax stabilization reserve. As reserves are intended to be liquid and ready to cover shortfalls in revenues, these accounts earn inferior investment returns compared to other investments made by the state and are often identified and used for nonrecurring spending. Only two funds, the operating reserve and the tax stabilization reserve, are true reserve funds in that their purpose is to backfill general fund revenues during downturns.

In the 2024 and 2025 session, the Legislature adjusted reserves by removing the tobacco settlement permanent fund and adding both the government results and opportunity fund in FY25 and FY26, and the behavioral health trust fund in FY26 and FY27.



August 19, 2025

**MEMORANDUM**

TO: The Members of the Legislative Finance Committee

FROM: Staff Economists of the Department of Finance and Administration, Legislative Finance Committee, Taxation and Revenue Department, and Department of Transportation

THROUGH: Secretary Wayne Propst, Department of Finance and Administration
Secretary Stephanie Schardin Clarke, Taxation and Revenue Department
Secretary Ricky Serna, Department of Transportation
Director Charles Sallee, Legislative Finance Committee

**SUBJECT: Consensus Revenue Estimating Group – August 2025 Forecast**

The Consensus Revenue Estimating Group (CREG) meets several times throughout the state budget process to review economic indicators, analyze tax receipt data, and make modifications to previous revenue estimates to provide policymakers the best information on the New Mexico revenue outlook. This memorandum summarizes the work and conclusions of the CREG, comprised of economists from the Legislative Finance Committee (LFC), the Department of Finance and Administration (DFA), the Taxation and Revenue Department (Tax & Rev), and the Department of Transportation (DOT). After careful review of new economic data and general fund receipts, the CREG has reached a consensus estimate of general fund revenues. The consensus estimate is reflected in the attachment.

**August 2025 Consensus General Fund**, **Recurring Revenue Outlook** (in millions)

| FY25 | FY26 | FY27 |
|---|---|---|
| $13,654.8 | $13,706.0 | $14,109.9 |

As reflected in the attachment, total recurring revenues are expected to be $13.7 billion in FY26 and $14.1 billion in FY27 as follows:

- General sales tax receipts: $4.5 billion in FY26 and $4.7 billion in FY27
- Income tax receipts: $2.8 billion in FY26 and $2.9 billion in FY27
- Severance tax receipts: $1.3 billion in FY26 and $1.3 billion in FY27
- Interest revenues: $2.2 billion in FY26 and $2.4 billion in FY27
- Revenues associated with rent and royalty receipts: $1.8 billion in FY26 and $1.8 billion in FY27
- All other revenues: $1.2 billion in FY26 and $1.2 billion in FY27.

# General Fund Consensus Revenue Estimate - August 2025

Attachment 1

| # | Revenue Source | FY25 Dec 24 Est. (Legis-Adj.) | FY25 Aug 25 Est. | FY25 Change From Prior (Dec 24) | FY25 % Change from FY24 | FY25 $ Change from FY24 | FY26 Dec 24 Est. (Legis-Adj.) | FY26 Aug 25 Est. | FY26 Change From Prior (Dec 24) | FY26 % Change from FY25 | FY26 $ Change from FY25 | FY27 Dec 24 Est. (Legis-Adj.) | FY27 Aug 25 Est. | FY27 Change From Prior (Dec 24) | FY27 % Change from FY26 | FY27 $ Change from FY26 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | *Base Gross Receipts Tax* | **4,311.6** | **4,405.1** | *93.5* | *4.9%* | *205.0* | **4,519.9** | **4,557.2** | *37.3* | *3.5%* | *152.1* | **4,653.2** | **4,670.3** | *17.1* | *2.5%* | *113.1* |
| 2 | *F&M Hold Harmless Payments* | **(103.4)** | **(121.1)** | *(17.7)* | *-12.7%* | *17.6* | **(90.3)** | **(110.1)** | *(19.8)* | *-9.1%* | *11.0* | **(81.9)** | **(101.2)** | *(19.3)* | *-8.1%* | *8.9* |
| 3 | NET Gross Receipts Tax | **4,208.2** | **4,284.0** | *75.8* | *5.8%* | *235.4* | **4,429.6** | **4,447.1** | *17.5* | *3.8%* | *163.1* | **4,571.3** | **4,569.1** | *(2.2)* | *2.7%* | *122.0* |
| 4 | Compensating Tax | **86.2** | **84.7** | *(1.5)* | *1.8%* | *1.5* | **89.5** | **87.7** | *(1.8)* | *3.6%* | *3.1* | **92.6** | **90.5** | *(2.1)* | *3.2%* | *2.8* |
| 5 | TOTAL GENERAL SALES | **4,294.4** | **4,368.7** | *74.2* | *5.7%* | *236.9* | **4,519.1** | **4,534.8** | *15.7* | *3.8%* | *166.2* | **4,663.9** | **4,659.6** | *(4.3)* | *2.8%* | *124.8* |
| 6 | Tobacco Products and Cigarette Taxes | **70.2** | **69.4** | *(0.8)* | *-2.4%* | *(1.7)* | **68.8** | **65.0** | *(3.8)* | *-6.3%* | *(4.4)* | **68.0** | **63.4** | *(4.6)* | *-2.5%* | *(1.6)* |
| 7 | Liquor Excise | **24.4** | **24.1** | *(0.3)* | *0.5%* | *0.1* | **24.7** | **24.3** | *(0.4)* | *0.8%* | *0.2* | **25.0** | **24.3** | *(0.7)* | *0.1%* | *0.0* |
| 8 | Cannabis Excise | **32.7** | **29.8** | *(2.9)* | *-8.9%* | *(2.9)* | **35.0** | **32.4** | *(2.6)* | *8.7%* | *2.6* | **37.3** | **35.5** | *(1.8)* | *9.6%* | *3.1* |
| 9 | Insurance Taxes | **464.2** | **455.9** | *(8.3)* | *23.2%* | *85.9* | **451.8** | **468.5** | *16.7* | *2.8%* | *12.6* | **467.5** | **471.2** | *3.7* | *0.6%* | *2.7* |
| 10 | Motor Vehicle Excise | **172.9** | **176.4** | *3.4* | *5.4%* | *9.1* | **177.6** | **181.9** | *4.3* | *3.2%* | *5.6* | **181.6** | **187.5** | *5.9* | *3.0%* | *5.5* |
| 11 | Gaming Excise | **64.4** | **64.9** | *0.5* | *-4.1%* | *(2.8)* | **61.0** | **55.5** | *(5.5)* | *-14.5%* | *(9.4)* | **63.2** | **58.6** | *(4.6)* | *5.6%* | *3.1* |
| 12 | Leased Vehicle & Other | **4.3** | **7.3** | *3.0* | *-35.8%* | *(4.1)* | **4.7** | **7.0** | *2.3* | *-3.8%* | *(0.3)* | **4.6** | **7.1** | *2.5* | *1.0%* | *0.1* |
| 13 | TOTAL SELECTIVE SALES | **833.2** | **827.8** | *(5.4)* | *11.2%* | *83.6* | **823.6** | **834.6** | *11.1* | *0.8%* | *6.9* | **847.2** | **847.6** | *0.4* | *1.5%* | *12.9* |
| 14 | Personal Income Tax | **2,034.8** | **2,191.1** | 156.3 | -0.7% | (16.5) | **2,114.6** | **2,233.5** | 118.9 | 1.9% | 42.4 | **2,195.4** | **2,286.4** | 91.0 | 2.4% | 52.9 |
| 15 | *Gross Corporate Income Tax* | ***540.9*** | ***525.5*** | *(15.4)* | *-1.7%* | *(9.3)* | ***539.3*** | ***426.0*** | *(113.4)* | *-18.9%* | *(99.5)* | ***546.5*** | ***414.9*** | *(131.6)* | *-2.6%* | *(11.1)* |
| 16 | *Pass-Through Entity Income Tax* [1] | ***357.5*** | ***322.6*** | *(34.9)* | *69.6%* | *132.4* | ***370.5*** | ***330.9*** | *(39.6)* | *2.6%* | *8.3* | ***386.0*** | ***341.9*** | *(44.1)* | *3.3%* | *11.0* |
| 17 | *CIT Refundable Credits* | ***(188.6)*** | ***(34.0)*** | *154.6* | *-66.7%* | *68.2* | ***(179.1)*** | ***(182.0)*** | *(2.9)* | *435.5%* | *(148.0)* | ***(191.3)*** | ***(169.9)*** | *21.4* | *-6.7%* | *12.1* |
| 18 | Total Corporate Income Tax | **709.8** | **814.1** | *104.3* | *29.8%* | *187.0* | **730.7** | **574.9** | *(155.8)* | *-29.4%* | *(239.2)* | **741.2** | **586.9** | *(154.3)* | *2.1%* | *12.1* |
| 19 | TOTAL INCOME TAXES | **2,744.6** | **3,005.2** | *260.6* | *6.0%* | *170.5* | **2,845.3** | **2,808.4** | *(36.9)* | *-6.5%* | *(196.8)* | **2,936.6** | **2,873.3** | *(63.3)* | *2.3%* | *65.0* |
| 20 | *Gross Oil and Gas School Tax* | **1,778.8** | **1,808.6** | *29.8* | *-0.1%* | *(2.0)* | **1,923.4** | **1,865.2** | *(58.2)* | *3.1%* | *56.6* | **2,065.7** | **1,976.6** | *(89.2)* | *6.0%* | *111.3* |
| 21 | *Excess to TSR, ECTF, or BHTF* | **(382.6)** | **(412.2)** | *(29.6)* | *-38.0%* | *253.0* | **(282.3)** | **(218.0)** | *64.3* | *-47.1%* | *194.2* | **(192.3)** | **(109.0)** | *83.4* | *-50.0%* | *109.1* |
| 22 | *Excess to STPF* | **(251.0)** | **(251.0)** | *(0.0)* | *-* | *(251.0)* | **(495.9)** | **(501.8)** | *(5.9)* | *99.9%* | *(250.8)* | **(728.0)** | **(722.2)** | *5.8* | *43.9%* | *(220.4)* |
| 23 | NET Oil & Gas School Tax | **1,145.4** | **1,145.4** | *-* | *0.0%* | *-* | **1,145.4** | **1,145.4** | *-* | *0.0%* | *-* | **1,145.4** | **1,145.4** | *-* | *0.0%* | *-* |
| 24 | Oil Conservation Tax | **101.6** | **103.0** | *1.4* | *-3.0%* | *(3.2)* | **98.8** | **80.5** | *(18.3)* | *-21.8%* | *(22.5)* | **106.0** | **83.0** | *(23.0)* | *3.1%* | *2.5* |
| 25 | Resources Excise Tax | **7.9** | **8.2** | *0.3* | *4.2%* | *0.3* | **7.9** | **8.3** | *0.4* | *1.2%* | *0.1* | **7.7** | **8.0** | *0.3* | *-3.6%* | *(0.3)* |
| 26 | Natural Gas Processors Tax | **24.9** | **28.8** | *3.9* | *-46.2%* | *(24.7)* | **21.9** | **20.3** | *(1.6)* | *-29.5%* | *(8.5)* | **27.4** | **28.2** | *0.8* | *38.9%* | *7.9* |
| 27 | TOTAL SEVERANCE TAXES | **1,279.8** | **1,285.4** | *5.6* | *-2.1%* | *(27.6)* | **1,274.0** | **1,254.5** | *(19.6)* | *-2.4%* | *(30.9)* | **1,286.5** | **1,264.6** | *(21.9)* | *0.8%* | *10.1* |
| 28 | LICENSE FEES | **64.3** | **67.7** | *3.4* | *-7.1%* | *(5.1)* | **64.3** | **68.4** | *4.1* | *1.0%* | *0.7* | **64.5** | **67.5** | *2.9* | *-1.3%* | *(0.9)* |
| 29 | LGPF Interest | **1,349.9** | **1,349.6** | *(0.3)* | *11.8%* | *142.6* | **1,493.1** | **1,534.5** | *41.4* | *13.7%* | *184.9* | **1,649.6** | **1,698.8** | *49.2* | *10.7%* | *164.4* |
| 30 | STO Interest | **417.7** | **418.1** | *0.4* | *7.1%* | *27.6* | **279.7** | **290.6** | *10.9* | *-30.5%* | *(127.5)* | **262.8** | **257.1** | *(5.7)* | *-11.5%* | *(33.5)* |
| 31 | STPF Interest | **332.8** | **332.8** | *(0.0)* | *14.9%* | *43.2* | **373.5** | **378.3** | *4.8* | *13.7%* | *45.6* | **423.0** | **433.6** | *10.6* | *14.6%* | *55.3* |
| 32 | TOTAL INTEREST | **2,100.4** | **2,100.5** | *0.1* | *11.3%* | *213.4* | **2,146.3** | **2,203.4** | *57.1* | *4.9%* | *102.9* | **2,335.4** | **2,389.6** | *54.2* | *8.4%* | *186.2* |
| 33 | *Gross Federal Mineral Leasing* | ***2,725.9*** | ***2,786.1*** | 60.2 | -1.4% | (38.6) | ***2,845.3*** | ***2,644.3*** | (201.0) | -5.1% | (141.8) | ***3,056.6*** | ***2,823.4*** | (233.2) | 6.8% | 179.1 |
| 34 | *Excess to ECTF or Medicaid TF* | ***(745.4)*** | ***(805.6)*** | (60.2) | -31.7% | 374.2 | ***(483.1)*** | ***(270.1)*** | 213.0 | -66.5% | 535.5 | ***(287.6)*** | ***(82.5)*** | 205.1 | -69.5% | 187.6 |
| 35 | *Excess to STPF* | ***(335.6)*** | ***(335.6)*** | (0.0) | - | (335.6) | ***(717.3)*** | ***(729.4)*** | (12.1) | 117.3% | (393.8) | ***(1,124.1)*** | ***(1,095.9)*** | 28.2 | 50.2% | (366.5) |
| 36 | NET Federal Mineral Leasing | **1,644.9** | **1,644.9** | - | 0.0% | (0.0) | **1,644.9** | **1,644.9** | - | 0.0% | - | **1,644.9** | **1,644.9** | - | 0.0% | - |
| 37 | State Land Office | **71.3** | **101.4** | *30.1* | *-13.9%* | *(16.4)* | **74.3** | **109.5** | *35.2* | *8.1%* | *8.2* | **77.1** | **111.0** | *33.9* | *1.4%* | *1.5* |
| 38 | TOTAL RENTS & ROYALTIES | **1,716.2** | **1,746.3** | *30.1* | *-0.9%* | *(16.4)* | **1,719.2** | **1,754.4** | *35.2* | *0.5%* | *8.2* | **1,722.0** | **1,755.9** | *33.9* | *0.1%* | *1.5* |
| 39 | TRIBAL REVENUE SHARING | **84.0** | **84.7** | *0.7* | *1.3%* | *1.1* | **85.4** | **86.6** | *1.2* | *2.2%* | *1.9* | **87.0** | **88.9** | *1.9* | *2.7%* | *2.3* |
| 40 | MISCELLANEOUS RECEIPTS | **47.1** | **58.6** | *11.5* | *-24.8%* | *(19.3)* | **47.6** | **50.9** | *3.3* | *-13.2%* | *(7.7)* | **49.0** | **53.0** | *4.0* | *4.1%* | *2.1* |
| 41 | REVERSIONS[2] | **100.0** | **110.0** | *10.0* | *-22.8%* | *(32.5)* | **100.0** | **110.0** | *10.0* | *0.0%* | *-* | **100.0** | **110.0** | *10.0* | *0.0%* | *-* |
| 42 | TOTAL RECURRING | **13,263.9** | **13,654.8** | *390.8* | *4.6%* | *604.5* | **13,624.8** | **13,706.0** | *81.2* | *0.4%* | *51.3* | **14,092.1** | **14,109.9** | *17.8* | *2.9%* | *403.9* |
| 43 | *Other Nonrecurring Revenue* | | ***45.5*** | *-* | *900.0%* | *41.0* | | | | | | | | | | |
| 44 | *2023 Nonrecurring Legislation* | **-** | | *-* | *-100.0%* | *9.8* | **-** | | *-* | *-* | *-* | **-** | | *-* | *-* | *-* |
| 45 | *2022 Nonrecurring Legislation* | **-** | | *-* | *-100.0%* | *4.5* | **-** | | *-* | *-* | *-* | **-** | | *-* | *-* | *-* |
| 46 | *Other Nonrecurring Reversions* | **-** | | *-* | *-100.0%* | *(149.6)* | **-** | | *-* | *-* | *-* | **-** | | *-* | *-* | *-* |
| 47 | TOTAL NONRECURRING | | **45.5** | *-* | *-67.4%* | *(94.2)* | | **-** | *-* | *-* | *(45.5)* | | **-** | *-* | *-* | *-* |
| 48 | **GRAND TOTAL General Fund** | **13,263.9** | **13,700.3** | *436.4* | *3.9%* | *510.3* | **13,624.8** | **13,706.0** | *81.2* | *0.0%* | *5.7* | **14,092.1** | **14,109.9** | *17.8* | *2.9%* | *403.9* |

1Legislative and administrative changes to the pass-through entity income tax changed how those receipts accrue to the general fund. Beginning tax year 2023, those receipts will accrue alongside corporate income tax receipts. The estimates presented here reflect estimates of pass-through entity income tax receipts according to that change.

2 FY24 reversions include prior year reversions from the HCA and DOH of $31 million and $28 million, respectively.

Attachment 1

# General Fund Consensus Revenue Estimate - August 2025

| # | Revenue Source | FY28 | | | | | FY29 | | | | | FY30 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | **Dec 24 Est. (Legis-Adj.)** | **Aug 25 Est.** | Change From Prior (Dec 24) | % Change from FY27 | $ Change from FY27 | **Dec 24 Est. (Legis-Adj.)** | **Aug 25 Est.** | Change From Prior (Aug 24) | % Change from FY28 | $ Change from FY28 | **Aug 25 Est.** | % Change from FY29 | $ Change from FY29 |
| 1 | *Base Gross Receipts Tax* | **4,776.3** | **4,795.5** | *19.2* | *2.7%* | *125.2* | **4,932.4** | **4,965.9** | *33.5* | *3.6%* | *170.4* | **5,141.4** | *3.5%* | *175.5* |
| 2 | *F&M Hold Harmless Payments* | **(73.1)** | **(91.4)** | *(18.3)* | *-9.7%* | *9.8* | **(64.0)** | **(81.0)** | *(17.0)* | *-11.4%* | *10.4* | **(70.1)** | *-13.5%* | *10.9* |
| 3 | NET Gross Receipts Tax | **4,703.2** | **4,704.1** | *0.9* | *3.0%* | *135.0* | **4,868.4** | **4,884.9** | *16.5* | *3.8%* | *180.8* | **5,071.3** | *3.8%* | *186.4* |
| 4 | Compensating Tax | **95.5** | **93.4** | *(2.1)* | *3.2%* | *2.9* | **98.6** | **96.4** | *(2.2)* | *3.3%* | *3.0* | **99.8** | *3.6%* | *3.4* |
| 5 | TOTAL GENERAL SALES | **4,798.6** | **4,797.5** | *(1.2)* | *3.0%* | *137.9* | **4,967.0** | **4,981.3** | *14.3* | *3.8%* | *183.8* | **5,171.1** | *3.8%* | *189.8* |
| 6 | Tobacco Products and Cigarette Taxes | **67.5** | **62.9** | *(4.6)* | *-0.8%* | *(0.5)* | **67.4** | **62.6** | *(4.8)* | *-0.5%* | *(0.3)* | **62.3** | *-0.5%* | *(0.3)* |
| 7 | Liquor Excise | **25.3** | **24.5** | *(0.8)* | *0.5%* | *0.1* | **25.5** | **24.6** | *(0.9)* | *0.7%* | *0.2* | **24.8** | *0.7%* | *0.2* |
| 8 | Cannabis Excise | **39.7** | **37.6** | *(2.1)* | *5.9%* | *2.1* | **41.1** | **40.2** | *(0.9)* | *6.9%* | *2.6* | **42.7** | *6.2%* | *2.5* |
| 9 | Insurance Taxes | **484.6** | **449.5** | *(35.1)* | *-4.6%* | *(21.7)* | **501.2** | **447.6** | *(53.6)* | *-0.4%* | *(1.9)* | **452.2** | *1.0%* | *4.6* |
| 10 | Motor Vehicle Excise | **184.4** | **191.1** | *6.7* | *2.0%* | *3.7* | **188.8** | **197.9** | *9.1* | *3.5%* | *6.8* | **203.7** | *2.9%* | *5.8* |
| 11 | Gaming Excise | **66.5** | **59.3** | *(7.2)* | *1.2%* | *0.7* | **66.7** | **59.8** | *(6.9)* | *0.8%* | *0.5* | **60.2** | *0.7%* | *0.4* |
| 12 | Leased Vehicle & Other | **4.7** | **7.2** | *2.5* | *1.6%* | *0.1* | **4.8** | **7.4** | *2.6* | *2.2%* | *0.2* | **7.5** | *1.4%* | *0.1* |
| 13 | TOTAL SELECTIVE SALES | **872.7** | **832.1** | *(40.6)* | *-1.8%* | *(15.5)* | **895.5** | **840.1** | *(55.4)* | *1.0%* | *8.0* | **853.4** | *1.6%* | *13.3* |
| 14 | Personal Income Tax | **2,273.0** | **2,341.2** | 68.2 | 2.4% | 54.8 | **2,365.5** | **2,394.6** | 29.1 | 2.3% | 53.4 | **2,483.1** | 3.7% | 88.5 |
| 15 | *Gross Corporate Income Tax* | ***551.2*** | ***425.8*** | *(125.4)* | *2.6%* | *10.9* | ***566.3*** | ***450.8*** | *(115.4)* | *5.9%* | *25.0* | ***465.6*** | *3.3%* | *14.8* |
| 16 | *Pass-Through Entity Income Tax* [1] | ***399.9*** | ***356.5*** | *(43.5)* | *2.5%* | *14.6* | ***412.7*** | ***368.5*** | *(44.3)* | *3.4%* | *12.0* | ***380.0*** | *3.1%* | *11.5* |
| 17 | *CIT Refundable Credits* | ***(205.1)*** | ***(95.1)*** | *110.0* | *-44.0%* | *74.7* | ***(220.8)*** | ***(133.2)*** | *87.7* | *40.0%* | *(38.0)* | ***(140.5)*** | *5.5%* | *(7.4)* |
| 18 | Total Corporate Income Tax | **746.0** | **687.2** | *(58.9)* | *17.1%* | *100.2* | **758.2** | **686.1** | *(72.0)* | *-0.1%* | *(1.0)* | **705.1** | *2.8%* | *18.9* |
| 19 | TOTAL INCOME TAXES | **3,019.0** | **3,028.4** | *9.3* | *5.4%* | *155.0* | **3,123.7** | **3,080.7** | *(42.9)* | *1.7%* | *52.4* | **3,188.2** | *3.5%* | *107.4* |
| 20 | *Gross Oil and Gas School Tax* | **2,131.6** | **2,079.9** | *(51.7)* | *5.2%* | *103.3* | **2,172.5** | **2,123.4** | *(49.1)* | *2.1%* | *43.5* | **2,158.9** | *1.7%* | *35.5* |
| 21 | *Excess to TSR, ECTF, or BHTF* | **(218.2)** | **(190.1)** | *28.1* | *74.5%* | *(81.2)* | **(230.4)** | **(215.2)** | *15.2* | *13.2%* | *(25.1)* | **(188.2)** | *-12.6%* | *27.1* |
| 22 | *Excess to STPF* | **(768.0)** | **(744.4)** | *23.6* | *3.1%* | *(22.2)* | **(796.7)** | **(762.8)** | *33.9* | *2.5%* | *(18.4)* | **(825.3)** | *8.2%* | *(62.5)* |
| 23 | NET Oil & Gas School Tax | **1,145.4** | **1,145.4** | - | *0.0%* | - | **1,145.4** | **1,145.4** | - | *0.0%* | - | **1,145.4** | *0.0%* | - |
| 24 | Oil Conservation Tax | **119.0** | **90.6** | *(28.4)* | *9.2%* | *7.6* | **121.1** | **92.7** | *(28.4)* | *2.3%* | *2.1* | **94.3** | *1.7%* | *1.6* |
| 25 | Resources Excise Tax | **7.7** | **8.0** | *0.3* | *0.0%* | - | **7.7** | **8.0** | *0.3* | *0.0%* | - | **8.0** | *0.0%* | - |
| 26 | Natural Gas Processors Tax | **33.5** | **36.4** | *2.9* | *29.1%* | *8.2* | **35.5** | **39.0** | *3.5* | *7.1%* | *2.6* | **39.0** | *0.0%* | - |
| 27 | TOTAL SEVERANCE TAXES | **1,305.6** | **1,280.4** | *(25.2)* | *1.2%* | *15.8* | **1,309.7** | **1,285.1** | *(24.6)* | *0.4%* | *4.7* | **1,286.7** | *0.1%* | *1.6* |
| 28 | LICENSE FEES | **65.1** | **67.9** | *2.9* | *0.7%* | *0.5* | **65.5** | **69.5** | *4.1* | *2.3%* | *1.6* | **68.7** | *-1.2%* | *(0.8)* |
| 29 | LGPF Interest | **1,795.9** | **1,853.0** | *57.1* | *9.1%* | *154.1* | **1,980.1** | **2,046.0** | *65.9* | *10.4%* | *193.1* | **2,235.1** | *9.2%* | *189.1* |
| 30 | STO Interest | **264.9** | **246.6** | *(18.3)* | *-4.1%* | *(10.5)* | **267.8** | **269.3** | *1.5* | *9.2%* | *22.7* | **274.5** | *1.9%* | *5.2* |
| 31 | STPF Interest | **480.0** | **498.2** | *18.2* | *14.9%* | *64.5* | **550.5** | **578.2** | *27.7* | *16.1%* | *80.0* | **668.4** | *15.6%* | *90.2* |
| 32 | TOTAL INTEREST | **2,540.8** | **2,597.7** | *56.9* | *8.7%* | *208.2* | **2,798.4** | **2,893.5** | *95.1* | *11.4%* | *295.8* | **3,178.0** | *9.8%* | *284.5* |
| 33 | *Gross Federal Mineral Leasing* | ***3,180.4*** | ***2,973.4*** | *(207.0)* | *5.3%* | *150.0* | ***3,246.4*** | ***3,114.5*** | *(131.9)* | *4.7%* | *141.1* | ***3,166.8*** | *1.7%* | *52.3* |
| 34 | *Excess to ECTF or Medicaid TF* | ***(251.4)*** | ***(119.2)*** | *132.2* | *44.5%* | *(36.7)* | ***(319.9)*** | ***(304.2)*** | *15.7* | *155.2%* | *(185.0)* | ***(298.4)*** | *-1.9%* | *5.8* |
| 35 | *Excess to STPF* | ***(1,284.1)*** | ***(1,209.3)*** | *74.8* | *10.3%* | *(113.4)* | ***(1,281.7)*** | ***(1,165.5)*** | *116.2* | *-3.6%* | *43.8* | ***(1,223.5)*** | *5.0%* | *(58.0)* |
| 36 | NET Federal Mineral Leasing | **1,644.9** | **1,644.9** | - | *0.0%* | - | **1,644.9** | **1,644.9** | - | *0.0%* | - | **1,644.9** | *0.0%* | - |
| 37 | State Land Office | **80.1** | **112.5** | *32.4* | *1.3%* | *1.5* | **82.8** | **114.0** | *31.2* | *1.3%* | *1.5* | **115.5** | *1.3%* | *1.5* |
| 38 | TOTAL RENTS & ROYALTIES | **1,725.0** | **1,757.4** | *32.4* | *0.1%* | *1.5* | **1,727.7** | **1,758.9** | *31.2* | *0.1%* | *1.5* | **1,760.4** | *0.1%* | *1.5* |
| 39 | TRIBAL REVENUE SHARING | **88.5** | **91.0** | *2.5* | *2.4%* | *2.1* | **90.1** | **93.4** | *3.3* | *2.6%* | *2.4* | **95.6** | *2.4%* | *2.2* |
| 40 | MISCELLANEOUS RECEIPTS | **50.5** | **55.0** | *4.5* | *3.8%* | *2.0* | **51.2** | **57.3** | *6.1* | *4.2%* | *2.3* | **56.1** | *-2.2%* | *(1.3)* |
| 41 | REVERSIONS[2] | **100.0** | **110.0** | *10.0* | *0.0%* | - | **100.0** | **110.0** | *10.0* | *0.0%* | - | **110.0** | *0.0%* | - |
| 42 | TOTAL RECURRING | **14,565.7** | **14,617.3** | *51.6* | *3.6%* | *507.4* | **15,128.6** | **15,169.8** | *41.2* | *3.8%* | *552.5* | **15,768.1** | *3.9%* | *598.2* |
| 43 | *Other Nonrecurring Revenue* | | | | | | | | | | | | | |
| 44 | *2023 Nonrecurring Legislation* | - | | - | - | - | - | | - | - | - | | - | - |
| 45 | *2022 Nonrecurring Legislation* | - | | - | - | - | - | | - | - | - | | - | - |
| 46 | *Other Nonrecurring Reversions* | - | | - | - | - | - | | - | - | - | | - | - |
| 47 | TOTAL NONRECURRING | | - | - | - | - | | - | - | - | - | - | - | - |
| 48 | **GRAND TOTAL General Fund** | **14,565.7** | **14,617.3** | *51.6* | *3.6%* | *507.4* | **15,128.6** | **15,169.8** | *41.2* | *3.8%* | *552.5* | **15,768.1** | *3.9%* | *598.2* |

# General Fund Financial Summary
## August 2025 Consensus Revenue Estimate
(millions of dollars)

**August 13, 2025**
**8:50 AM**

| | Estimate FY2025 | Estimate FY2026 | Estimate FY2027 |
|---|---|---|---|
| **APPROPRIATION ACCOUNT** | | | |
| **REVENUE** | | | |
| August 2025 Consensus Revenue Estimate | $ 13,654.8 | $ 13,706.0 | $ 14,109.9 |
| Total Recurring Revenue | $ 13,654.8 | $ 13,706.0 | $ 14,109.9 |
| *Percent Change in Recurring Revenue* | *4.7%* | *0.4%* | *2.9%* |
| Nonrecurring Revenue | | | |
| August 2025 Consensus Revenue Estimate | $ 45.5 | $ - | |
| Total Nonrecurring Revenue | $ 45.5 | $ - | $ - |
| **TOTAL REVENUE** | **$ 13,700.3** | **$ 13,706.0** | **$ 14,109.9** |
| **APPROPRIATIONS** | | | |
| Recurring Appropriations | | | |
| 2023 Regular Session Recurring Legislation & Feed Bill | | | |
| 2024 Regular Session Recurring Legislation & Feed Bill | $ 10,219.5 | | |
| 2025 Regular Session Recurring Legislation & Feed Bill | $ 15.1 | $ 10,835.4 | |
| Total Recurring Appropriations | $ 10,234.6 | $ 10,835.4 | |
| Nonrecurring Appropriations | | | |
| 2023 Regular Session Nonrecurring | | | |
| 2024 Regular Session ARPA Related Nonrecurring2 | | | |
| 2024 Regular Session Nonrecurring Legislation | $ 2,399.6 | | |
| 2024 Special Session Nonrecurring Legislation | $ 103.0 | | |
| 2025 Regular Session Nonrecurring Legislation | $ 1,056.4 | $ 2,789.6 | |
| Total Nonrecurring Appropriations | $ 3,559.0 | $ 2,789.6 | |
| Subtotal Recurring and Nonrecurring Appropriations | $ 13,793.6 | $ 13,625.1 | |
| **TOTAL APPROPRIATIONS** | **$ 13,793.6** | **$ 13,625.1** | |
| TOTAL REVENUE LESS TOTAL APPROPRIATIONS | $ (93.3) | $ 80.9 | |
| **GENERAL FUND RESERVES** | | | |
| Beginning Balances | $ 3,307.3 | $ 3,473.5 | |
| Transfers from (to) Appropriations Account | $ (93.3) | $ 80.9 | |
| Revenue and Reversions | $ 718.6 | $ 650.6 | |
| Appropriations, Expenditures and Transfers Out | $ (459.1) | $ (259.6) | |
| **Ending Balances** | **$ 3,473.5** | **$ 3,945.5** | |
| *Reserves as a Percent of Recurring Appropriations* | *33.9%* | *36.4%* | |

FY27 Total Revenue Less Total FY26 Approps.: $484.8 million, or 3.6 percent

**Notes:**
1) Many nonrecurring appropriations, including specials and supplementals in the GAA, had authorization to spend in multiple fiscal years - amounts that were not distributed in the first year become encumbrances for the next year.

* Note: totals may not foot due to rounding

## General Fund Financial Summary
## August 2025 Consensus Revenue Estimate
### RESERVE DETAIL
(millions of dollars)

**August 13, 2025**
**8:50 AM**

| | | Estimate FY2025 | | Estimate FY2026 | | Estimate FY2027 |
|---|---|---|---|---|---|---|
| **OPERATING RESERVE** | | | | | | |
| Beginning Balance | $ | 606.6 | $ | 507.4 | $ | 584.4 |
| BOF Emergency Appropriations/Reversions | $ | (4.0) | $ | (4.0) | $ | (4.0) |
| Transfers from (to) Appropriation Account | $ | (93.3) | $ | 80.9 | $ | - |
| Transfers to Tax Stabilization Reserve or Gov. Results and Opportunity Fund | $ | - | $ | - | $ | - |
| Disaster Allotments | $ | (1.8) | $ | - | $ | - |
| Transfers from tax stabilization reserve to restore balance to 1 percent | $ | - | $ | - | $ | - |
| Transfer from (to) ACF/Other Appropriations | $ | - | $ | - | $ | - |
| Audit and Pre-Audit Adjustments | $ | (0.1) | $ | - | $ | - |
| Ending Balance | $ | 507.4 | $ | 584.4 | $ | 580.4 |
| **APPROPRIATION CONTINGENCY FUND** | | | | | | |
| Beginning Balance | $ | 9.1 | $ | 126.1 | $ | 68.1 |
| Disaster Allotments | $ | (16.0) | $ | (16.0) | $ | (16.0) |
| ARPA Appropriation from 2021 Second Special Session, 2024 Regular Session) | $ | - | $ | - | | |
| Other ARPA Appropriations (including 2022, 2023, 2024 Regular Sessions) | $ | - | $ | - | | |
| Transfers In/(Out) | $ | 150.0 | $ | (50.0) | $ | - |
| Appropriations Out | $ | (25.0) | $ | - | $ | - |
| Revenue and Reversions | $ | 8.0 | $ | 8.0 | $ | 8.0 |
| Audit and Pre-Audit Adjustments | | | | | | |
| Ending Balance | $ | 126.1 | $ | 68.1 | $ | 60.1 |
| **STATE SUPPORT FUND** | | | | | | |
| Beginning Balance | $ | 0.4 | $ | 0.4 | $ | 0.4 |
| Revenues | $ | 40.0 | $ | - | $ | - |
| Appropriations | $ | (40.0) | $ | - | $ | - |
| Impact Aid Liability FY20 | | | | | | |
| Impact Aid Liability FY21 | $ | - | $ | - | $ | - |
| Audit Adjustments | $ | - | $ | - | $ | - |
| Ending Balance | $ | 0.4 | $ | 0.4 | $ | 0.4 |
| **GOVERNMENT RESULTS AND OPPORTUNITY EXPENDABLE TRUST (GRO)** | | | | | | |
| Beginning Balance | $ | 512.2 | $ | 522.4 | $ | - |
| Revenues/Gains | $ | 10.2 | $ | 10.4 | $ | - |
| Transfers from the Operating Reserve | $ | - | $ | - | $ | - |
| Appropriations to the Government Accountability Expendable Trust | $ | - | $ | 265.3 | $ | - |
| Expenditures | $ | - | $ | (130.6) | $ | - |
| Audit Adjustments | $ | - | $ | - | $ | - |
| Ending Balance | $ | 522.4 | $ | 667.6 | $ | - |
| **BEHAVIORAL HEALTH TRUST FUND** | | | | | | |
| Beginning Balance | | | $ | - | $ | 215.2 |
| Revenues/Gains | | | $ | 115.2 | $ | 63.1 |
| Appropriations to (from) BHTF | | | $ | 100.0 | $ | - |
| Expenditures | | | $ | - | $ | (10.8) |
| Audit Adjustments | | | $ | - | | |
| Ending Balance | | | $ | 215.2 | $ | 267.5 |
| **TAX STABILIZATION RESERVE (RAINY DAY FUND)** | | | | | | |
| Beginning Balance | $ | 2,179.0 | $ | 2,317.2 | $ | 2,409.9 |
| Revenues from Excess Oil and Gas Emergency School Tax | $ | 412.2 | $ | 109.0 | $ | 54.5 |
| Gains(Losses) | $ | 138.2 | $ | 92.7 | $ | 96.4 |
| Transfers In (From Operating Reserve) | $ | - | $ | - | $ | - |
| Transfer Out to Operating Reserve | $ | - | $ | - | $ | - |
| Transfer Out to Higher Education Endowment Fund | $ | - | $ | - | $ | - |
| Transfer Out to Early Childhood Trust Fund | $ | (412.2) | $ | (109.0) | $ | (54.5) |
| Ending Balance | $ | 2,317.2 | $ | 2,409.9 | $ | 2,506.2 |
| *Percent of Recurring Appropriations* | | *22.6%* | | *22.2%* | | |
| **TOTAL GENERAL FUND ENDING BALANCES** | **$** | **3,473.5** | **$** | **3,945.5** | | |
| *Percent of Recurring Appropriations* | | *33.9%* | | *36.4%* | | |

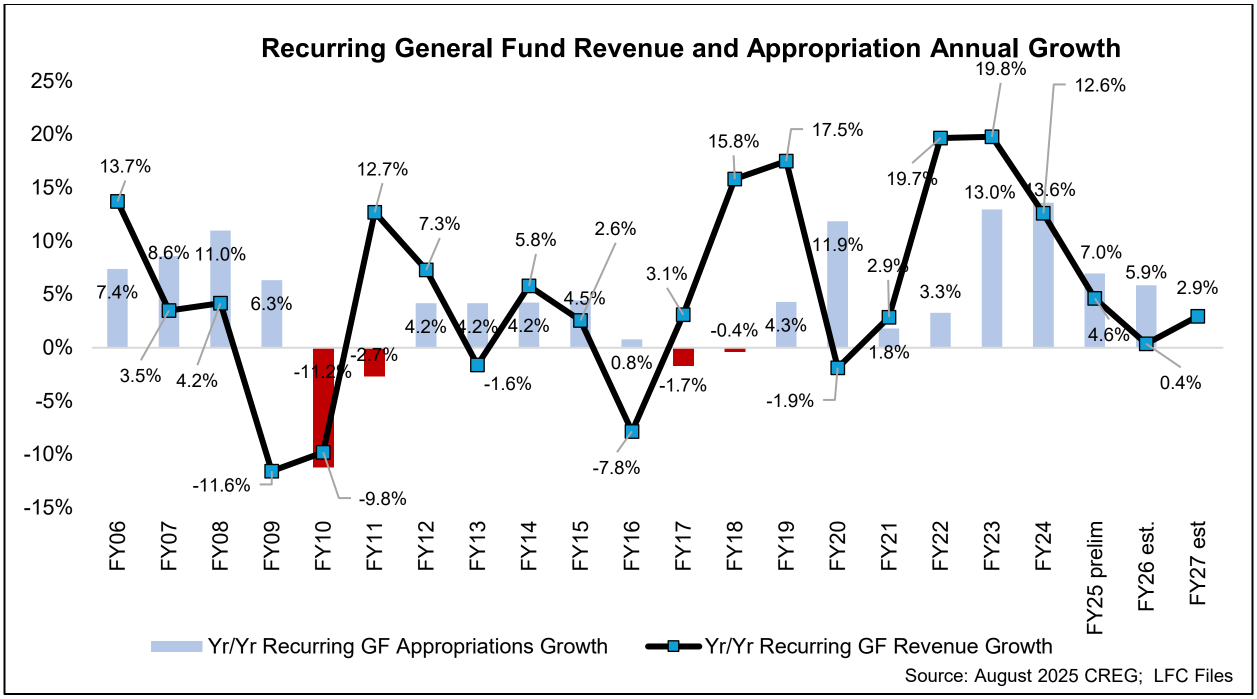
**Notes:**
* Note: totals may not foot due to rounding

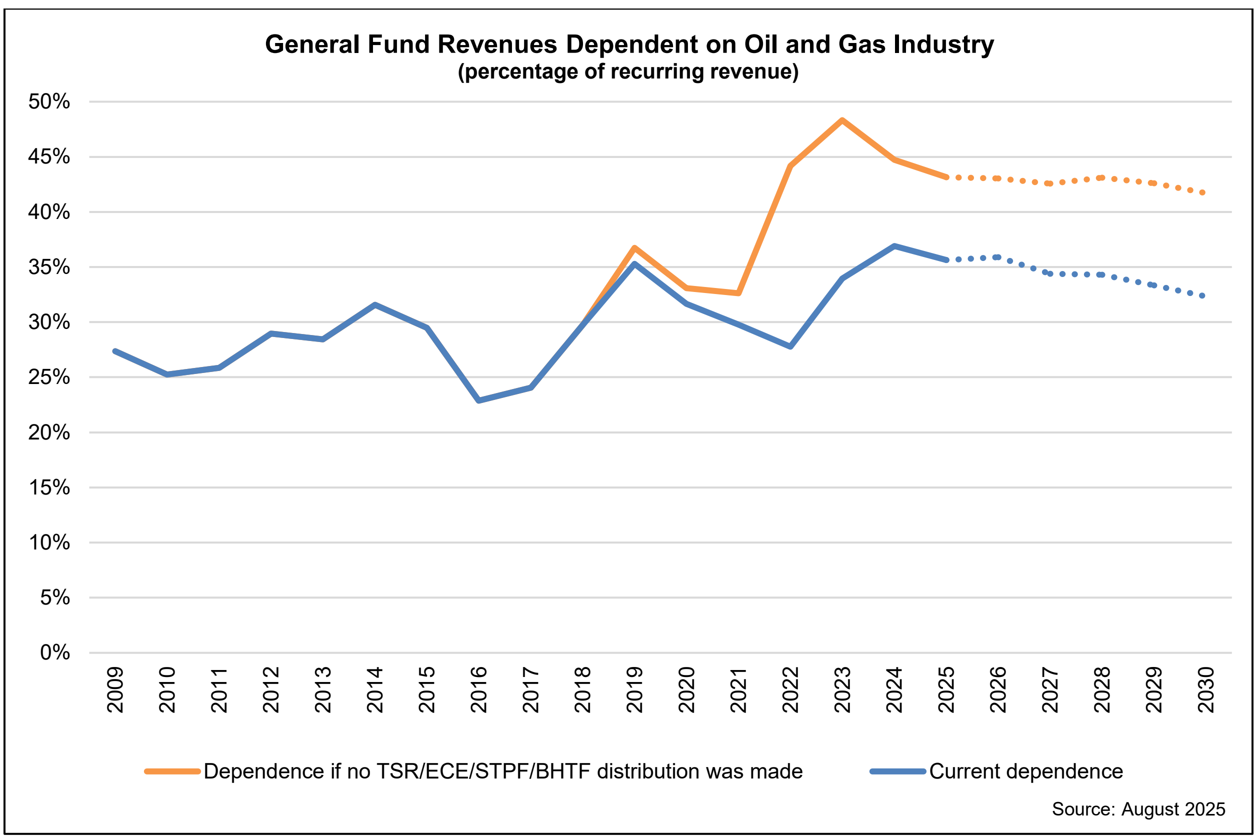
## U.S. and New Mexico Economic Indicators

| | | FY25 | | FY26 | | FY27 | | FY28 | | FY29 | | FY30 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Dec 24 Forecast | **Aug 25 Forecast** | Dec 24 Forecast | **Aug 25 Forecast** | Dec 24 Forecast | **Aug 25 Forecast** | Dec 24 Forecast | **Aug 25 Forecast** | Dec 24 Forecast | **Aug 25 Forecast** | Dec 24 Forecast | **Aug 25 Forecast** |
| | **National Economic Indicators** | | | | | | | | | | | | |
| S&P Global | US Real GDP Growth (annual avg.,% YOY)* | 2.7 | 2.8 | 2.1 | 1.4 | 1.8 | 2.0 | 1.7 | 1.7 | 1.8 | 1.6 | 1.7 | 1.7 |
| Moody's | US Real GDP Growth (annual avg. ,% YOY)* | 2.3 | 2.3 | 2.2 | 1.1 | 2.0 | 1.5 | 2.2 | 2.0 | 2.3 | 2.3 | 2.2 | 2.5 |
| S&P Global | US Inflation Rate (CPI-U, annual avg., % YOY)** | 2.5 | 2.5 | 2.2 | 2.5 | 2.1 | 2.4 | 2.4 | 2.1 | 2.2 | 2.1 | 2.3 | 2.2 |
| Moody's | US Inflation Rate (CPI-U, annual avg., % YOY)** | 2.4 | 2.6 | 2.5 | 3.2 | 2.4 | 2.8 | 2.3 | 1.9 | 2.3 | 1.8 | 2.2 | 1.9 |
| S&P Global | Federal Funds Rate (%) | 5.2 | 5.1 | 3.8 | 4.3 | 2.6 | 3.5 | 2.6 | 2.9 | 2.6 | 2.9 | 2.6 | 3.1 |
| Moody's | Federal Funds Rate (%) | 4.6 | 4.6 | 3.4 | 3.9 | 3.0 | 3.1 | 3.0 | 3.0 | 3.0 | 3.0 | 2.8 | 2.8 |
| | **New Mexico Labor Market and Income Data** | | | | | | | | | | | | |
| BBER | NM Non-Agricultural Employment Growth (%) | 1.2 | 1.1 | 0.5 | 0.6 | 0.2 | 0.2 | 0.2 | 0.2 | 0.5 | 0.3 | | 0.5 |
| Moody's | NM Non-Agricultural Employment Growth (%) | 1.2 | 1.4 | 0.5 | 0.8 | 0.1 | 0.0 | 0.0 | 0.1 | 0.0 | 0.3 | 0.1 | 0.5 |
| BBER | NM Nominal Personal Income Growth (%)*** | 4.8 | 4.8 | 5.0 | 5.0 | 4.8 | 5.1 | 4.6 | 5.0 | 4.7 | 4.9 | | 4.7 |
| Moody's | NM Nominal Personal Income Growth (%)*** | 4.4 | 4.7 | 4.3 | 5.2 | 4.2 | 4.7 | 4.1 | 3.9 | 4.2 | 3.5 | 4.2 | 3.7 |
| BBER | NM Total Wages & Salaries Growth (%) | 4.8 | 5.0 | 4.4 | 4.4 | 4.1 | 3.8 | 3.7 | 4.2 | 4.2 | 4.4 | | 4.2 |
| Moody's | NM Total Wages & Salaries Growth (%) | 4.7 | 4.9 | 4.1 | 4.7 | 3.8 | 3.9 | 3.7 | 3.1 | 3.6 | 2.8 | 3.6 | 3.3 |
| BBER | NM Private Wages & Salaries Growth (%) | 4.6 | 4.8 | 4.5 | 4.7 | 4.2 | 4.0 | 3.8 | 4.5 | 4.4 | 4.6 | | 4.4 |
| BBER | NM Real Gross State Product (% YOY) | 1.4 | 1.5 | 1.4 | 1.3 | 1.7 | 1.9 | 1.7 | 1.6 | 1.6 | 1.7 | | 1.7 |
| Moody's | NM Real Gross State Product (% YOY) | 1.4 | 1.5 | 1.7 | 0.8 | 1.6 | 1.1 | 1.6 | 1.5 | 1.6 | 1.7 | 1.5 | 1.9 |
| CREG | NM Gross Oil Price ($/barrel) | $70.50 | $69.00 | $68.00 | $60.50 | $70.00 | $60.50 | $70.50 | $64.50 | $71.50 | $66.00 | | $67.50 |
| CREG | NM Net Oil Price ($/barrel)***** | $61.90 | $60.51 | $59.70 | $53.06 | $61.46 | $53.06 | $61.90 | $56.57 | $62.78 | $57.88 | | $59.20 |
| BBER | Oil Volumes (million barrels) | 716 | 775 | 714 | 770 | 718 | 765 | 720 | 767 | 721 | 771 | | 773 |
| CREG | NM Taxable Oil Volumes (million barrels) | 745 | 775 | 780 | 800 | 810 | 825 | 835 | 845 | 835 | 845 | | 840 |
| | NM Taxable Oil Volumes (%YOY growth) | 4.9% | 9.2% | 4.7% | 3.2% | 3.8% | 3.1% | 3.1% | 2.4% | 0.0% | 0.0% | | -0.6% |
| CREG | NM Gross Gas Price ($ per thousand cubic feet)**** | $3.29 | $3.31 | $4.26 | $4.42 | $4.50 | $4.77 | $4.45 | $4.49 | $4.46 | $4.42 | | $4.32 |
| CREG | NM Net Gas Price ($ per thousand cubic feet)***** | $2.21 | $2.11 | $3.02 | $3.14 | $3.22 | $3.44 | $3.18 | $3.19 | | $3.13 | | $3.06 |
| BBER | Gas Volumes (billion cubic feet) | 3,667 | 3,888 | 3,655 | 3,920 | 3,653 | 3,919 | 3,656 | 3,933 | 3,655 | 3,949 | | 3,955 |
| CREG | NM Taxable Gas Volumes (billion cubic feet) | 3,680 | 3,915 | 3,775 | 4,200 | 3,855 | 4,335 | 3,955 | 4,485 | 4,085 | 4,640 | | 4,845 |
| | NM Taxable Gas Volumes (%YOY growth) | 3.1% | 12.5% | 2.6% | 7.3% | 2.1% | 3.2% | 2.6% | 3.5% | 3.3% | 3.5% | | 4.4% |

Notes
* Real GDP is BEA chained 2017 dollars, billions, annual rate
** CPI is all urban, BLS 1982-84=1.00 base
****The gross gas prices are estimated using a formula of NYMEX, EIA, and S&P Global future prices
*****The net oil and gas prices represent calculated prices based on taxable values of the product after deductions for transportation, processing, and royalties
Sources: BBER - July 2025 FOR-UNM baseline. S&P Global Insight - July 2025 baseline.

DFA Notes
* Real GDP is BEA chained 2012 dollars, billions, annual rate
** CPI is all urban, BLS 1982-84=1.00 base.
***Nominal Personal Income growth rates are for the calendar year in which each fiscal year begins
****The gross gas prices are estimated using a formula of NYMEX, EIA, and Moodys January future prices
*****The net oil and gas prices represent calculated prices based on taxable values of the product after deductions for transportation, processing, and royalties
Sources: Moody's baseline


Recurring General Fund Revenue and Appropriation Annual Growth
25%
20%
15%
10%
5%
0%
-5%
-10%
-15%
FY06 FY07 FY08 FY09 FY10 FY11 FY12 FY13 FY14 FY15 FY16 FY17 FY18 FY19 FY20 FY21 FY22 FY23 FY24 FY25 prelim FY26 est. FY27 est
Yr/Yr Recurring GF Appropriations Growth
Yr/Yr Recurring GF Revenue Growth
Source: August 2025 CREG; LFC Files


General Fund Revenues Dependent on Oil and Gas Industry
(percentage of recurring revenue)
50%
45%
40%
35%
30%
25%
20%
15%
10%
5%
0%
2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030
Dependence if no TSR/ECE/STPF/BHTF distribution was made
Current dependence
Source: August 2025

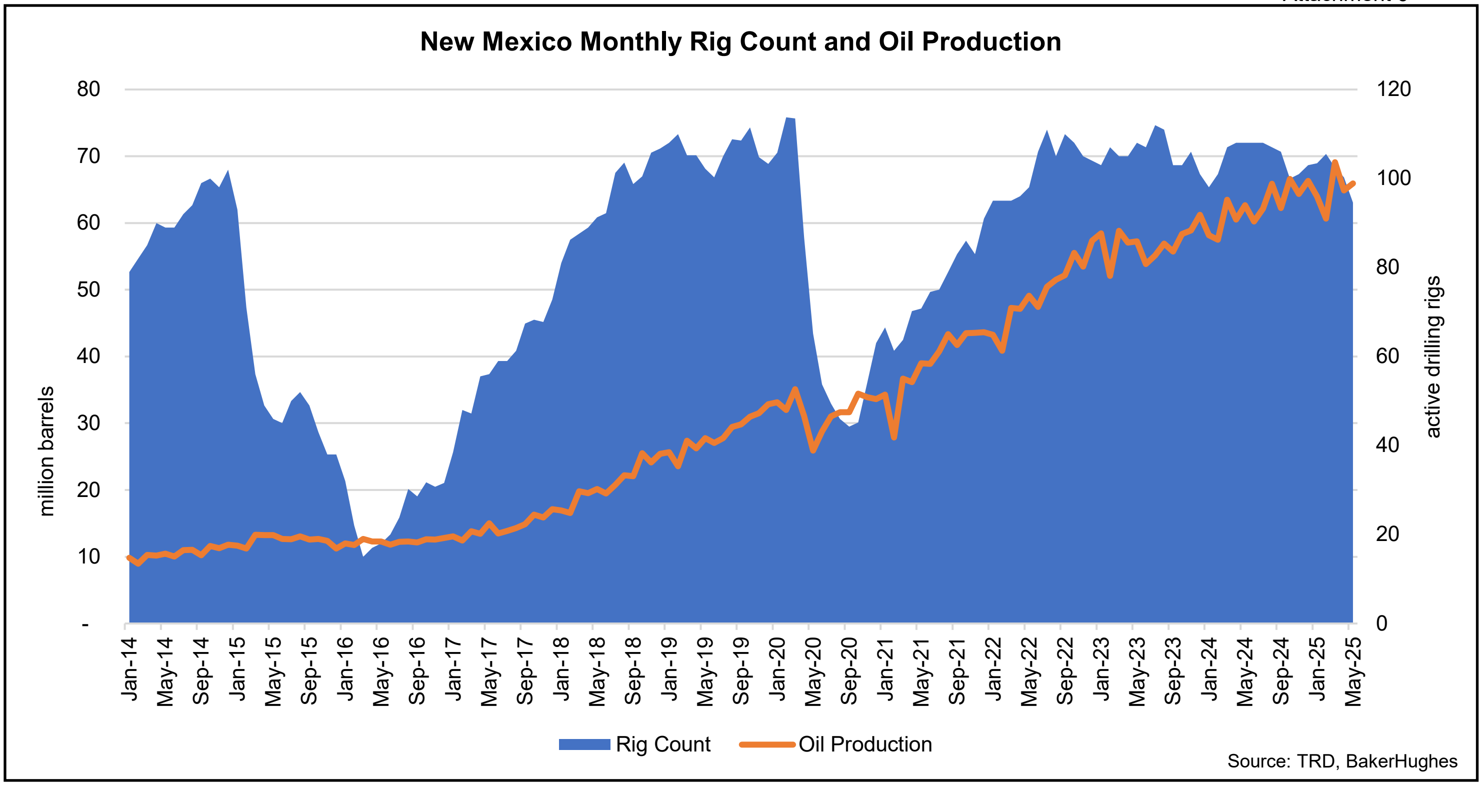
**Early Childhood Trust Fund Forecast - August 2025**
(in millions)

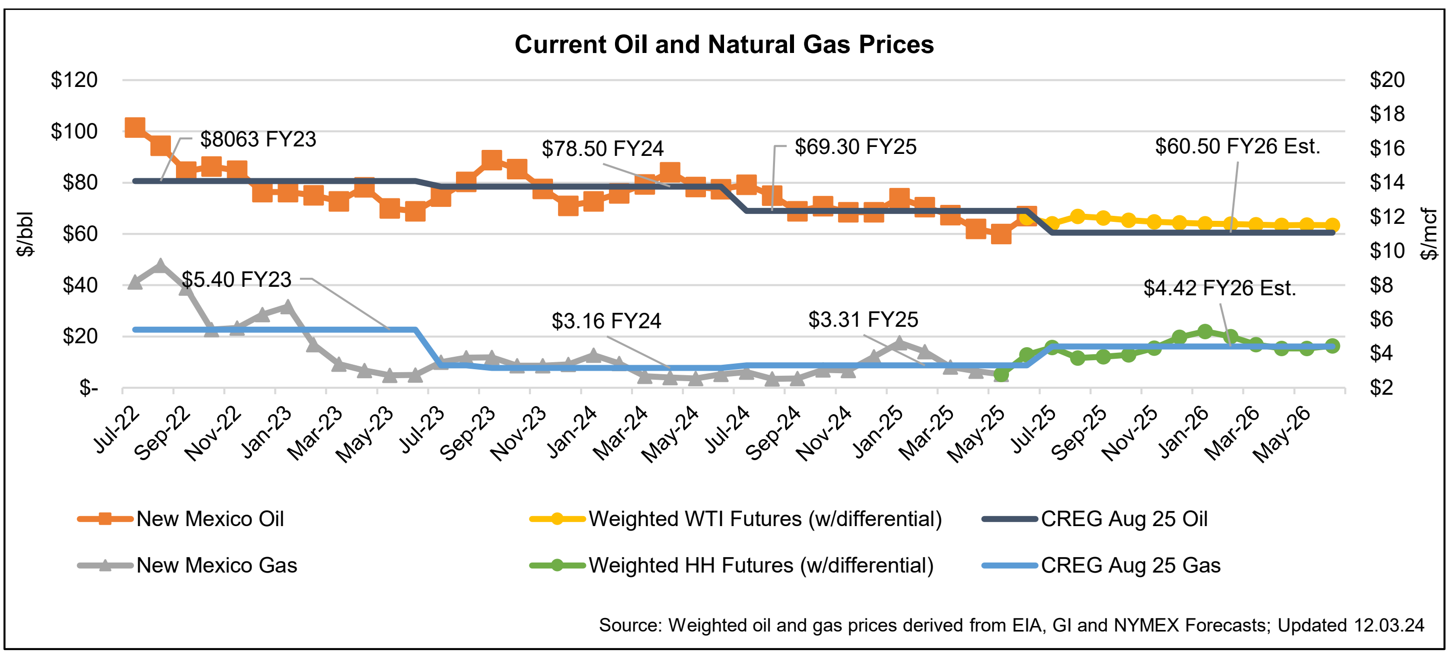
| Calendar Year | 2021 | 2022 | *2023* | *2024* | *2025* | *2026* | *2027* | *2028* | *2029* | *2030* |
|---|---|---|---|---|---|---|---|---|---|---|
| | Actual | Actual | Actual | *Estimated* | *Estimated* | *Estimated* | *Estimated* | *Estimated* | *Estimated* | *Estimated* |
| Beginning Balance | $300.0 | $314.1 | $3,462.0 | $5,721.2 | $9,015.8 | $9,772.2 | $10,308.0 | $10,473.7 | $10,602.2 | $11,008.5 |
| Gains & Losses | $34.1 | ($6.4) | $336.1 | $549.7 | $450.8 | $488.6 | $515.4 | $523.7 | $530.1 | $550.4 |
| Excess Federal Mineral Leasing | $0.0 | $1,501.5 | $2,073.0 | $1,179.8 | $805.6 | $135.1 | $41.3 | $59.6 | $304.2 | $298.4 |
| Excess OGAS School Tax* | $0.0 | $1,682.80 | $0.0 | $1,815.0 | $0.0 | $412.2 | $109.0 | $54.5 | $95.1 | $215.2 |
| Distribution to ECE Program Fund | ($20.0) | ($30.0) | ($150.0) | ($250.0) | ($500.0) | ($500.0) | ($500.0) | ($509.2) | ($523.1) | ($534.7) |
| **Ending Balance** | **$314.1** | **$3,462.0** | **$5,721.2** | **$9,015.8** | **$9,772.2** | **$10,308.0** | **$10,473.7** | **$10,602.2** | **$11,008.5** | **$11,537.8** |

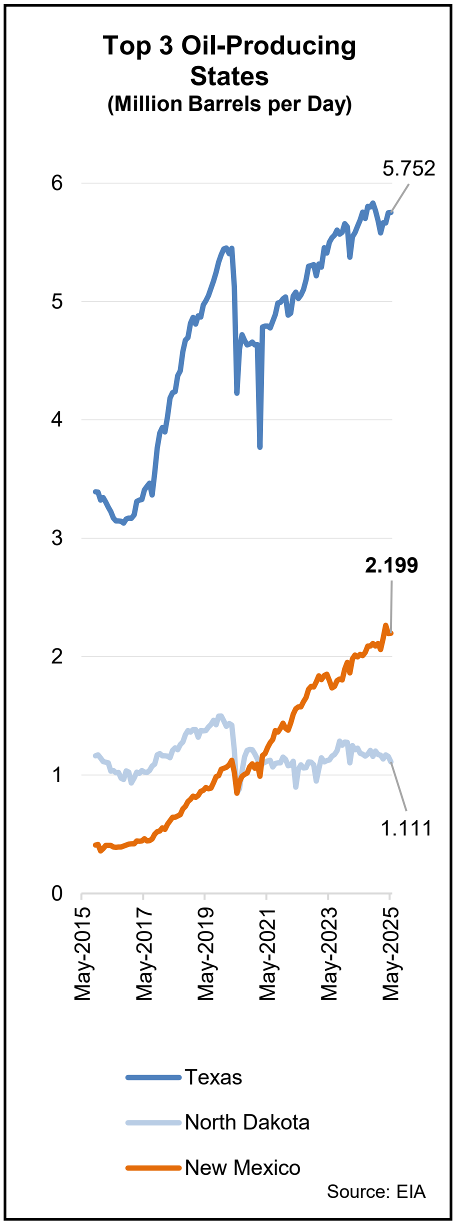
*Excess OGAS School Tax distributed to Early Childhood Trust Fund if general fund reserves are at least 25% throughout forecast period, and distributions occur for prior fiscal year in January of the following calendar year.

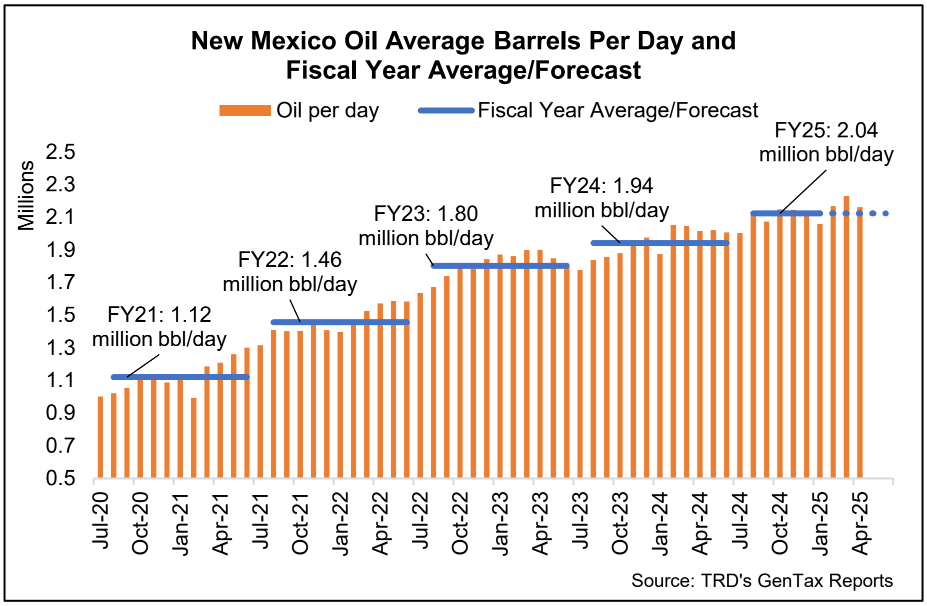
Note: Investment return assumed at 5% and distributions occur on July 1, based on previous calendar year-ending balance.

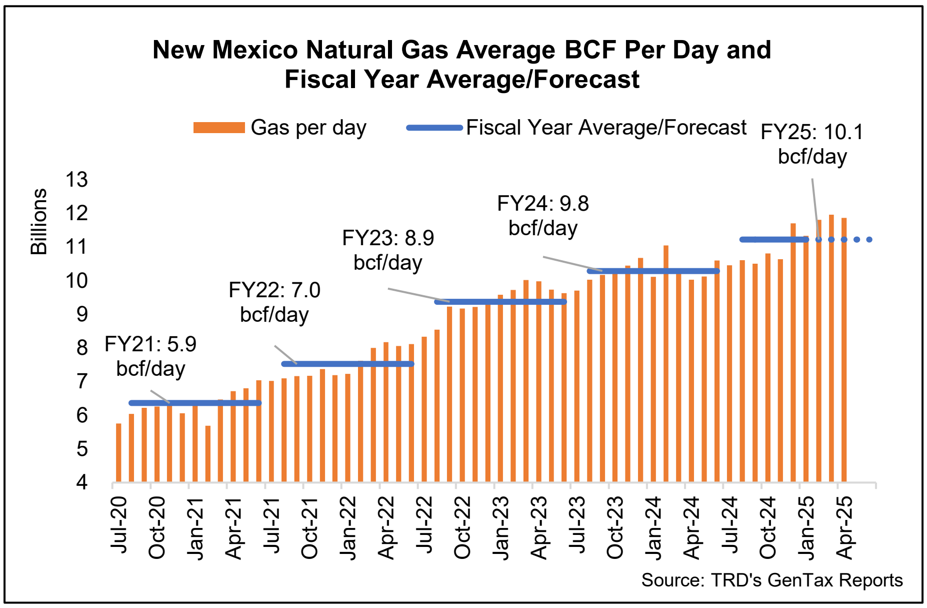
| | FY21 | FY22 | FY23 | FY24 | FY25 | FY26 | FY27 | FY28 | FY29 | FY30 |
|---|---|---|---|---|---|---|---|---|---|---|
| Distribution to ECE Program Fund | $0.00 | $20.00 | $30.00 | $150.00 | $250.00 | $500.00 | $500.00 | $500.00 | $509.23 | $523.07 |

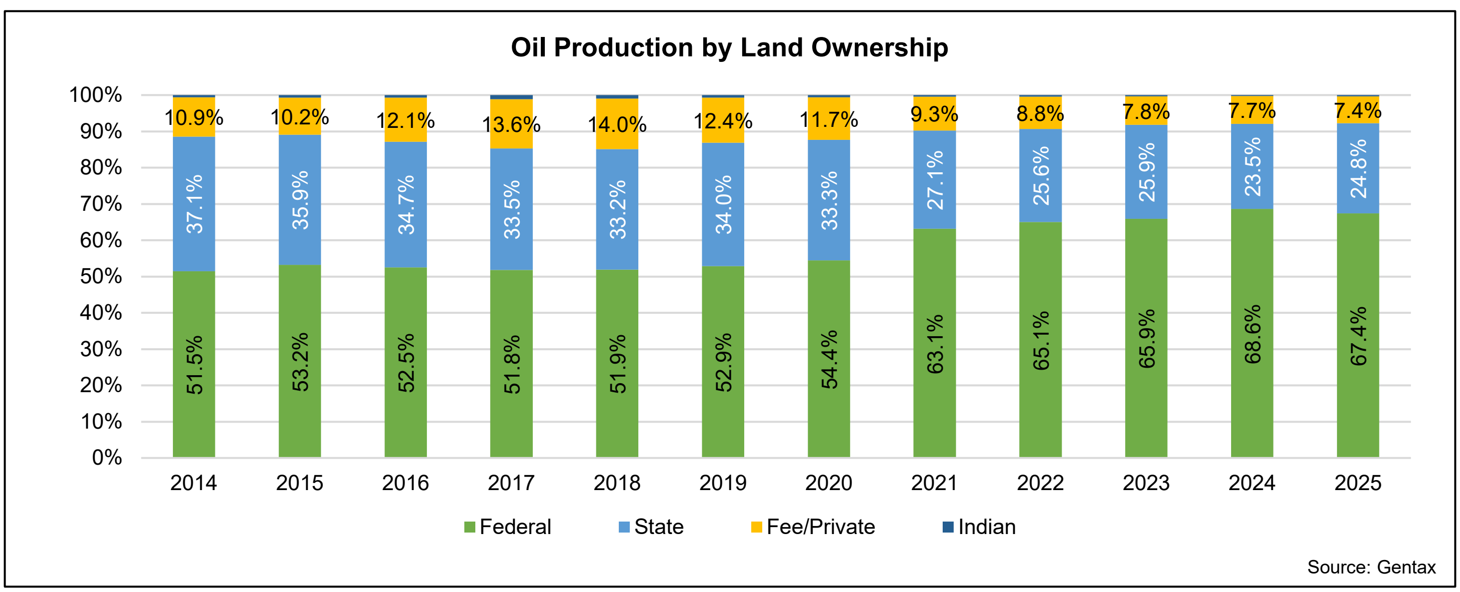

New Mexico Monthly Rig Count and Oil Production
million barrels
active drilling rigs
80
70
60
50
40
30
20
10
-
120
100
80
60
40
20
0
Jan-14
May-14
Sep-14
Jan-15
May-15
Sep-15
Jan-16
May-16
Sep-16
Jan-17
May-17
Sep-17
Jan-18
May-18
Sep-18
Jan-19
May-19
Sep-19
Jan-20
May-20
Sep-20
Jan-21
May-21
Sep-21
Jan-22
May-22
Sep-22
Jan-23
May-23
Sep-23
Jan-24
May-24
Sep-24
Jan-25
May-25
Rig Count
Oil Production
Source: TRD, BakerHughes

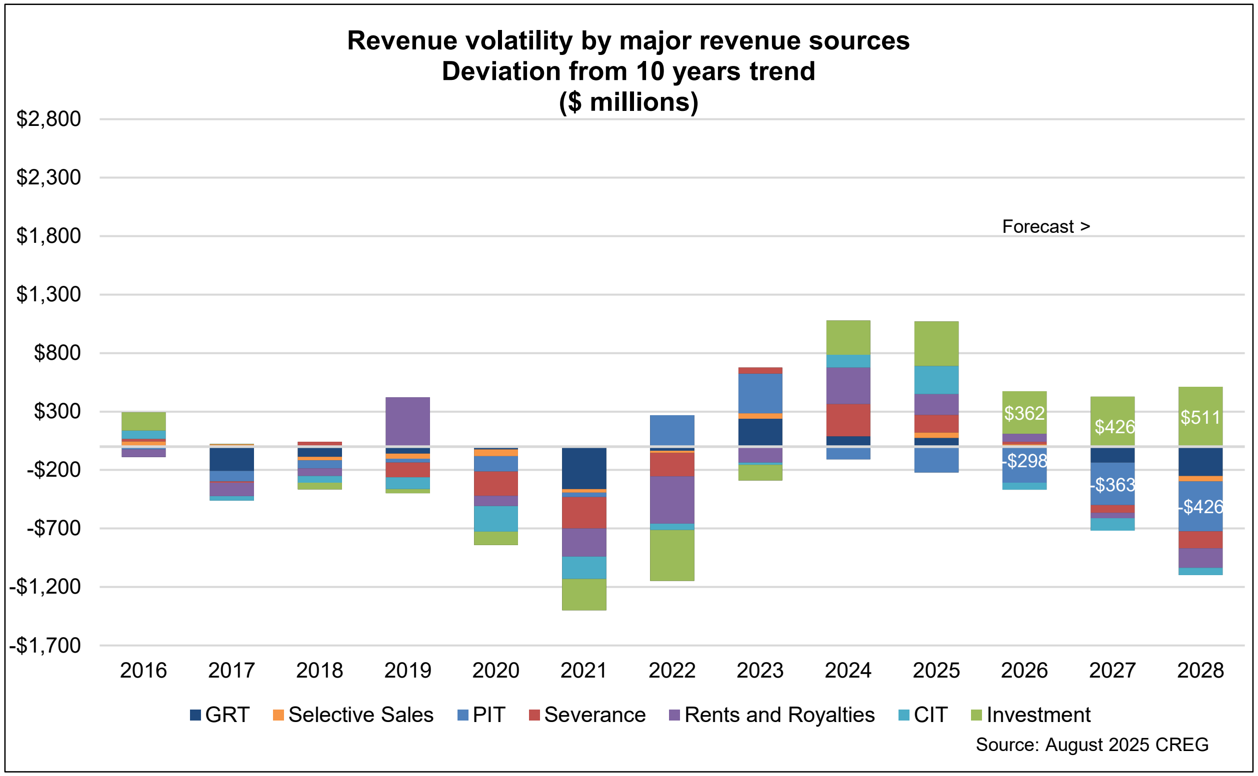

Current Oil and Natural Gas Prices
$/bbl
$/mcf
$120
$100
$80
$60
$40
$20
$-
$20
$18
$16
$14
$12
$10
$8
$6
$4
$2
$8063 FY23
$78.50 FY24
$69.30 FY25
$60.50 FY26 Est.
$5.40 FY23
$3.16 FY24
$3.31 FY25
$4.42 FY26 Est.
Jul-22
Sep-22
Nov-22
Jan-23
Mar-23
May-23
Jul-23
Sep-23
Nov-23
Jan-24
Mar-24
May-24
Jul-24
Sep-24
Nov-24
Jan-25
Mar-25
May-25
Jul-25
Sep-25
Nov-25
Jan-26
Mar-26
May-26
New Mexico Oil
Weighted WTI Futures (w/differential)
CREG Aug 25 Oil
New Mexico Gas
Weighted HH Futures (w/differential)
CREG Aug 25 Gas
Source: Weighted oil and gas prices derived from EIA, GI and NYMEX Forecasts; Updated 12.03.24

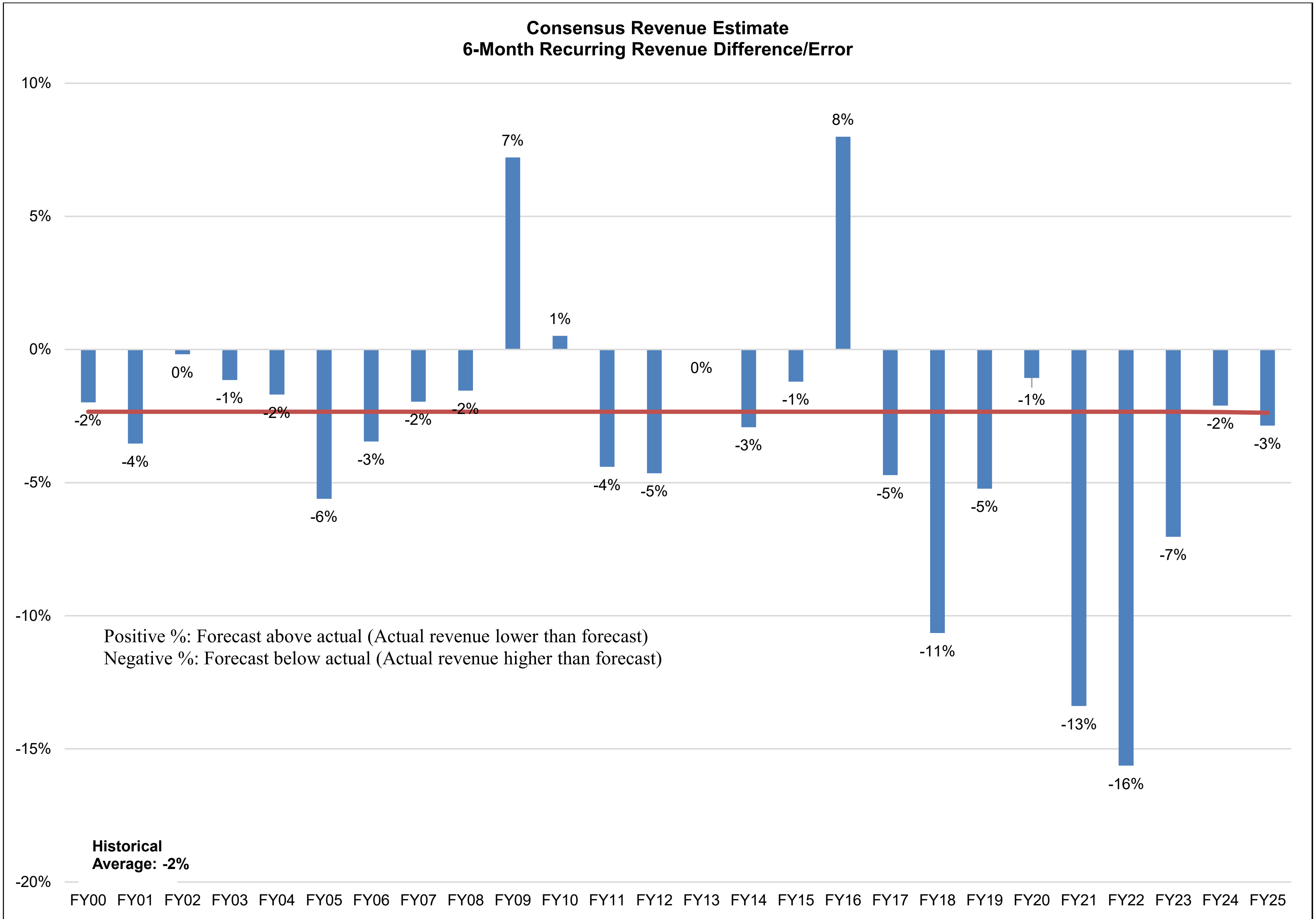

Top 3 Oil-Producing States
(Million Barrels per Day)
5.752
2.199
1.111
Texas
North Dakota
New Mexico
Source: EIA


New Mexico Oil Average Barrels Per Day and Fiscal Year Average/Forecast
Oil per day
Fiscal Year Average/Forecast
Millions
FY21: 1.12 million bbl/day
FY22: 1.46 million bbl/day
FY23: 1.80 million bbl/day
FY24: 1.94 million bbl/day
FY25: 2.04 million bbl/day
Source: TRD's GenTax Reports


New Mexico Natural Gas Average BCF Per Day and Fiscal Year Average/Forecast
Gas per day
Fiscal Year Average/Forecast
Billions
FY21: 5.9 bcf/day
FY22: 7.0 bcf/day
FY23: 8.9 bcf/day
FY24: 9.8 bcf/day
FY25: 10.1 bcf/day
Source: TRD's GenTax Reports


Oil Production by Land Ownership
2014: Federal 51.5%, State 37.1%, Fee/Private 10.9%
2015: Federal 53.2%, State 35.9%, Fee/Private 10.2%
2016: Federal 52.5%, State 34.7%, Fee/Private 12.1%
2017: Federal 51.8%, State 33.5%, Fee/Private 13.6%
2018: Federal 51.9%, State 33.2%, Fee/Private 14.0%
2019: Federal 52.9%, State 34.0%, Fee/Private 12.4%
2020: Federal 54.4%, State 33.3%, Fee/Private 11.7%
2021: Federal 63.1%, State 27.1%, Fee/Private 9.3%
2022: Federal 65.1%, State 25.6%, Fee/Private 8.8%
2023: Federal 65.9%, State 25.9%, Fee/Private 7.8%
2024: Federal 68.6%, State 23.5%, Fee/Private 7.7%
2025: Federal 67.4%, State 24.8%, Fee/Private 7.4%
Federal
State
Fee/Private
Indian
Source: Gentax


Revenue volatility by major revenue sources
Deviation from 10 years trend
($ millions)
$2,800
$2,300
$1,800
$1,300
$800
$300
-$200
-$700
-$1,200
-$1,700
Forecast >
$362
-$298
$426
-$363
$511
-$426
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026
2027
2028
GRT
Selective Sales
PIT
Severance
Rents and Royalties
CIT
Investment
Source: August 2025 CREG



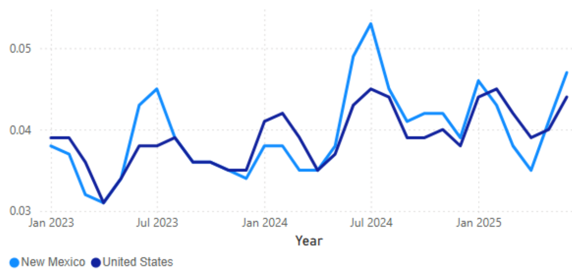

Source: LFC Files

**Tax Changes: Legislative Sessions 2019-2025**
(in millions of dollars)

| | | FY25 | | FY26 | | FY27 | | FY28 | | FY29 | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Recurring | Non-Recurring | Recurring | Non-Recurring | Recurring | Non-Recurring | Recurring | Non-Recurring | Recurring | Non-Recurring |
| Gross Receipts and Compensating Taxes | **2025 Regular Session** | | | | | | | | | | |
| | SB 481 State Fairgrounds District Act | | | | | $ (9.00) | | $ (9.00) | | $ (9.00) | |
| | **2024 Regular Session** | | | | | | | | | | |
| | HB 252 Tax Package | $ (15.56) | | $ (15.62) | | $ (15.83) | | $ (15.99) | | $ (15.99) | |
| | SB 17 Health Care Delivery & Access Act | | | $ 25.80 | | $ 26.30 | | $ 26.80 | | $ 26.80 | |
| | SB 108 Distribution to Election Fund | $ (15.00) | | $ (15.00) | | $ (15.00) | | $ (15.00) | | $ (15.00) | |
| | SB 148 Tax and Admin Fees | | | | | $ (22.10) | | $ (45.50) | | $ (45.50) | |
| | **2023 Regular Session** | | | | | | | | | | |
| | HB 353 South Campus TIDD | $ (5.50) | | $ (5.50) | | $ (5.50) | | $ (5.50) | | $ (5.50) | |
| | HB 547 Omnibus Tax Package | $ (38.85) | | $ (38.60) | | $ (38.50) | | $ (38.50) | | $ (38.50) | |
| | **2022 Regular Session** | | | | | | | | | | |
| | HB 163 Tax Changes | | | | | | | | | | |
| | Food and Medical Hold Harmless | $ (4.97) | | $ (7.12) | | $ (7.12) | | $ (7.12) | | $ (7.12) | |
| | GRT Rate Cut | $ (199.90) | | $ (206.20) | | $ (206.20) | | $ (206.20) | | $ (206.20) | |
| | B to B Manufacturers | $ (6.00) | | $ (6.20) | | $ (6.20) | | $ (6.20) | | $ (6.20) | |
| | Other | $ (7.92) | | $ (8.05) | | $ (8.05) | | $ (8.05) | | $ (8.05) | |
| | **2021 First Special Session** | | | | | | | | | | |
| | HB 2 Cannabis Regulation Act | | | | | | | | | | |
| | Medical Cannabis GRT Deduction | $ (13.90) | | $ (13.90) | | $ (13.90) | | $ (13.90) | | $ (13.90) | |
| | GRT Revenue | $ 15.39 | | $ 15.39 | | $ 15.39 | | $ 15.39 | | $ 15.39 | |
| | **2019 Regular Session** | | | | | | | | | | |
| | HB6 Tax Changes | | | | | | | | | | |
| | Hospital Tax Reform | $ 100.00 | | $ 100.00 | | $ 100.00 | | $ 100.00 | | $ 100.00 | |
| | Remote Sales | $ 46.00 | | $ 46.00 | | $ 46.00 | | $ 46.00 | | $ 46.00 | |
| | Remote Sales: State loss from local sharing | $ (22.00) | | $ (22.00) | | $ (22.00) | | $ (22.00) | | $ (22.00) | |
| | Remote sales: State loss from DBS out-of-state | $ (42.00) | | $ (42.00) | | $ (42.00) | | $ (42.00) | | $ (42.00) | |
| | Repeal Municipal Equivalent Distribution | $ 5.00 | | $ 5.00 | | $ 5.00 | | $ 5.00 | | $ 5.00 | |
| | HB 165 Modifying High Wage Jobs Tax Credit | $ (10.00) | | $ (10.00) | | $ (10.00) | | $ (10.00) | | $ (10.00) | |
| | **TOTAL GRT** | **$ (236.95)** | **$ -** | **$ (219.05)** | **$ 0.03** | **$ (249.76)** | **$ -** | **$ (272.82)** | **$ -** | **$ (272.81)** | **$ -** |
| Personal and Corporate Income Taxes | **2024 Regular Session** | | | | | | | | | | |
| | HB 252 Tax Package | | | | | | | | | | |
| | PIT Brackets | $ (79.50) | | $ (159.00) | | $ (170.00) | | $ (176.00) | | $ (176.00) | |
| | Rural Healthcare Practitioner Credit | $ (11.63) | | $ (11.63) | | $ (11.63) | | $ (11.63) | | $ (11.63) | |
| | Capital Gains Deduction | | | $ 61.00 | | $ 63.00 | | $ 65.00 | | $ 65.00 | |
| | Fire Recovery Credit | $ (5.00) | | $ (5.00) | | $ (5.00) | | $ (5.00) | | $ (5.00) | |
| | CIT Rate | | | $ 16.10 | | $ 16.40 | | $ 17.00 | | $ 17.00 | |
| | Geothermal Heat Pump Credit | $ (8.00) | | $ (8.00) | | $ (8.00) | | $ (8.00) | | $ (8.00) | |
| | Clean Car Credits | $ (30.00) | | $ (45.00) | | $ (50.00) | | $ (56.00) | | $ (56.00) | |
| | Electric Generation Tax Sunset | | | $ (5.00) | | $ (5.00) | | $ (10.00) | | $ (10.00) | |
| | Armed Service Retirement Pay Exemption | $ (0.99) | | $ (1.00) | | $ (1.01) | | $ (12.12) | | $ (12.12) | |
| | Geothermal Electricty Generation Credit | $ (3.87) | | $ (5.05) | | $ (6.19) | | $ (7.42) | | $ (7.42) | |
| | Advanced Energy Equipment Credit | | | $ (25.00) | | $ (25.00) | | $ (25.00) | | $ (25.00) | |
| | Solar Market Development Credits | $ (32.10) | | $ (18.00) | | $ (18.00) | | $ (18.00) | | $ (18.00) | |
| | Other | $ (1.13) | | $ (0.45) | | $ (2.35) | | $ (2.35) | | $ (2.35) | |
| | **2023 Regular Session** | | | | | | | | | | |
| | HB 547 Omnibus Tax Package | | | | | | | | | | |
| | Child Income Tax Credit | $ (106.60) | | $ (108.90) | | $ (111.10) | | $ (111.10) | | $ (111.10) | |
| | Film Tax Credits | $ (61.50) | | $ (75.90) | | $ (87.30) | | $ (87.30) | | $ (87.30) | |
| | **2022 Regular Session** | | | | | | | | | | |
| | HB 163 Tax Changes | | | | | | | | | | |
| | Child Credit | $ (74.70) | | $ (75.40) | | $ (75.40) | | $ (75.40) | | $ (75.40) | |
| | Military Pension Exemption | $ (11.57) | | $ (12.09) | | $ (12.09) | | $ (12.09) | | $ (12.09) | |
| | Social Security Exemption | $ (80.24) | | $ (84.58) | | $ (84.58) | | $ (84.58) | | $ (84.58) | |
| | **2021 Regular Session** | | | | | | | | | | |
| | HB 291 Tax Changes (LICTR and WFTC) | $ (63.18) | | $ (63.18) | | $ (63.18) | | $ (63.18) | | $ (63.18) | |
| | **2020 Regular Session** | | | | | | | | | | |
| | SB 29 Solar Market Development Income Tax Credit | $ (5.00) | | $ (5.00) | | $ (5.00) | | $ (5.00) | | $ (5.00) | |
| PIT/CIT | **2019 Regular Session** | | | | | | | | | | |
| | SB 2 Film Tax Credit Changes | $ (95.90) | | $ (95.90) | | $ (95.90) | | $ (95.90) | | $ (95.90) | |
| | HB6 Tax Changes | | | | | | | | | | |
| | New PIT Brackets | $ 41.00 | | $ 41.00 | | $ 41.00 | | $ 41.00 | | $ 41.00 | |
| | Increase WFTC to 17% | $ (41.00) | | $ (41.00) | | $ (41.00) | | $ (41.00) | | $ (41.00) | |
| | Dependent Deduction | $ (28.00) | | $ (28.00) | | $ (28.00) | | $ (28.00) | | $ (28.00) | |
| | Change PIT Deduction for Capital Gains | $ 10.00 | | $ 10.00 | | $ 10.00 | | $ 10.00 | | $ 10.00 | |
| | **TOTAL PIT/CIT** | **$ (696.65)** | **$ -** | **$ (754.55)** | **$ -** | **$ (784.90)** | **$ -** | **$ (811.64)** | **$ -** | **$ (811.64)** | **$ -** |
| Other Taxes | **2024 Regular Session** | | | | | | | | | | |
| | HB 7 Health Care Affordability Fund Distribution | | | $ (83.20) | | $ (85.70) | | $ (88.30) | | $ (88.30) | |
| | SB 17 Health Care Delivery & Access Act | | | $ 86.40 | | $ 88.10 | | $ 89.90 | | $ 89.90 | |
| | SB 151 Premium Tax to Emergency Services Fund | $ (2.90) | | $ (11.00) | | $ (11.20) | | $ (11.60) | | $ (11.60) | |
| | **2023 Regular Session** | | | | | | | | | | |
| | SB 26 Excess Oil & Gas Funds to Severance Tax Fund | $ (587.60) | | $ (1,204.00) | | $ (1,681.70) | | $ (1,681.70) | | $ (1,681.70) | |
| | SB 491 Health Premium Tax for Law Enforcement | $ (21.80) | | $ (22.20) | | $ (22.60) | | $ (22.60) | | $ (22.60) | |
| | **2021 Regular Session** | | | | | | | | | | |
| | SB 3 Small Business Recovery Act | $ (16.09) | | $ (22.16) | | $ (22.16) | | $ (22.16) | | $ (22.16) | |
| | **2021 First Special Session** | | | | | | | | | | |
| | HB 2 Cannabis Regulation Act | $ 31.64 | | $ 31.64 | | $ 31.64 | | $ 31.64 | | $ 31.64 | |
| | **2020 First Special Session** | | | | | | | | | | |
| | SB3 Small Business Recovery Loan Act | $ (17.80) | | $ (22.60) | | $ (22.60) | | $ (22.60) | | $ (22.60) | |
| | **2019 Regular Session** | | | | | | | | | | |
| | HB6 Tax Changes | | | | | | | | | | |
| | MVEX GF Distribution | $ (28.00) | | $ (28.00) | | $ (28.00) | | $ (28.00) | | $ (28.00) | |
| | Tax E-Cigs and Increase Cig tax | $ 14.00 | | $ 14.00 | | $ 14.00 | | $ 14.00 | | $ 14.00 | |
| | **TOTAL OTHER** | **$ (634.30)** | **$ -** | **$ (1,266.77)** | **$ (3.20)** | **$ (1,742.87)** | **$ (3.20)** | **$ (1,744.07)** | **$ -** | **$ (1,744.07)** | **$ -** |
| **TOTAL CHANGES** | | **$ (1,567.90)** | **$ -** | **$ (2,240.36)** | **$ (3.18)** | **$ (2,777.53)** | **$ (3.20)** | **$ (2,828.52)** | **$ -** | **$ (2,828.51)** | **$ -** |

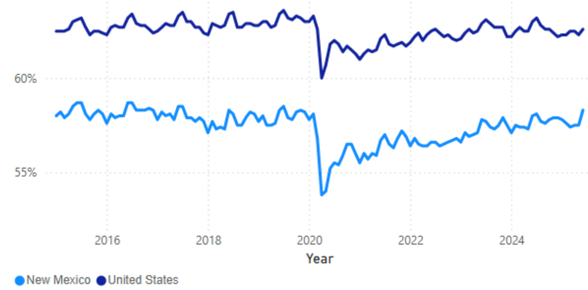
### Unemployment Rate

Not Seasonally Adjusted



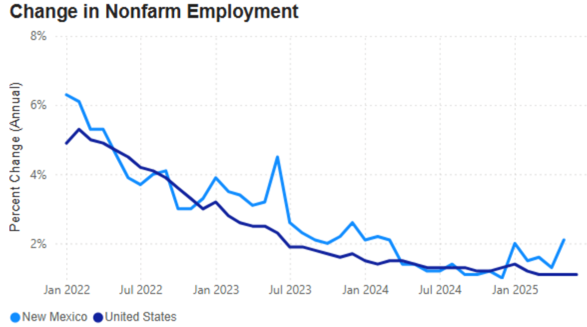

Source: US Bureau of Labor Statistics

### Labor Force Participation Rate




Source: US Bureau of Labor Statistics

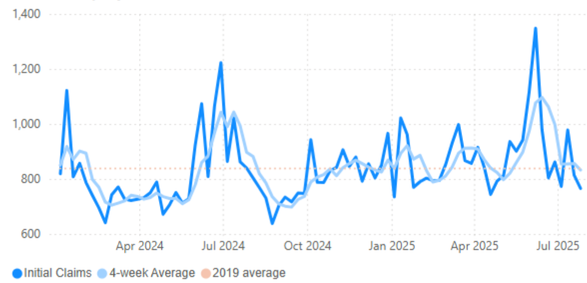
### Change in Nonfarm Employment




Source: US Bureau of Labor Statistics

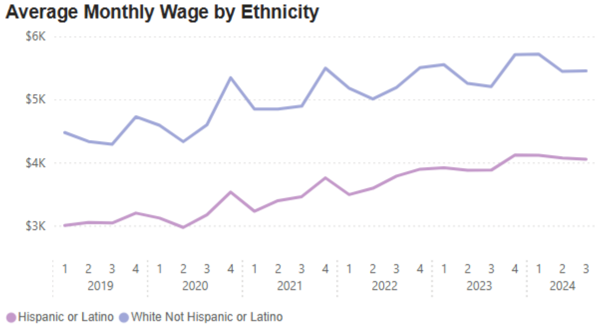
### Initial Unemployment Insurance Claims

Not Seasonally Adjusted




Source: US Employment and Training Administration

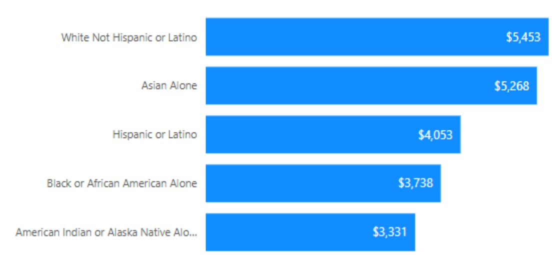
### Average Monthly Wage by Ethnicity




Source: US Census Bureau Quarterly Workforce Indicators

### Average Monthly Earnings by Race & Ethnicity

April 2024




Source: US Census Bureau Quarterly Workforce Indicators

| Conservation Legacy Permanent Fund (CLPF) | FY24 | FY25 | FY26 Est. | FY27 Est. | FY28 Est. | FY29 Est. | FY30 Est. |
|---|---|---|---|---|---|---|---|
| Beginning Balance | $ 50,000.00 | $ 354,250.84 | $ 359,250.84 | $ 364,250.84 | $ 369,250.84 | $ 374,250.84 | $ 379,250.84 |
| Gains & Losses | $ 4,250.84 | $ 38,174.56 | $ 26,943.81 | $ 27,318.81 | $ 27,693.81 | $ 28,068.81 | $ 28,443.81 |
| Distribution to LELF | | $ 33,174.56 | $ 21,943.81 | $ 22,318.81 | $ 22,693.81 | $ 23,068.81 | $ 23,443.81 |
| Ending Balance | $ 54,250.84 | $ 359,250.84 | $ 364,250.84 | $ 369,250.84 | $ 374,250.84 | $ 379,250.84 | $ 384,250.84 |

| Land of Enchantment Legacy Fund (LELF) | FY24 | FY25 | FY26 Est. | FY27 Est. | FY28 Est. | FY29 Est. | FY30 Est. |
|---|---|---|---|---|---|---|---|
| Beginning Balance | $ 50,000.00 | $ 37,813.34 | $ 53,949.92 | $ 57,931.86 | $ 61,274.23 | $ 64,124.92 | $ 66,597.64 |
| Inflow from CLPF | $ - | $ 33,174.56 | $ 21,943.81 | $ 22,318.81 | $ 22,693.81 | $ 23,068.81 | $ 23,443.81 |
| Gains & Losses | $ 417.78 | $ 945.33 | $ 1,348.75 | $ 1,448.30 | $ 1,531.86 | $ 1,603.12 | $ 1,664.94 |
| Balance After Inflows | $ 50,417.78 | $ 71,933.23 | $ 77,242.48 | $ 81,698.97 | $ 85,499.90 | $ 88,796.86 | $ 91,706.40 |
| Distribution from LELF to Agencies | $ 12,604.45 | $ 17,983.31 | $ 19,310.62 | $ 20,424.74 | $ 21,374.97 | $ 22,199.21 | $ 22,926.60 |
| Ending Balance | $ 37,813.34 | $ 53,949.92 | $ 57,931.86 | $ 61,274.23 | $ 64,124.92 | $ 66,597.64 | $ 68,779.80 |

| Share | Distributions to Agencies | FY24 | FY25 | FY26 Est. | FY27 Est. | FY28 Est. | FY29 Est. | FY30 Est. |
|---|---|---|---|---|---|---|---|---|
| 22.5% | EMNRD: 50% to the Forestry Division | | $ 1,418.00 | $ 2,023.12 | $ 2,172.44 | $ 2,297.78 | $ 2,404.68 | $ 2,497.41 |
| | EMNRD: 50% for the National Heritage Conservation Act | | $ 1,418.00 | $ 2,023.12 | $ 2,172.44 | $ 2,297.78 | $ 2,404.68 | $ 2,497.41 |
| 22.5% | NMDA: Noxious Weed Mgt, Healthy Soil Act, and Soil/Water Conservation District | | $ 2,836.00 | $ 4,046.24 | $ 4,344.89 | $ 4,595.57 | $ 4,809.37 | $ 4,994.82 |
| 22.0% | DGF: Projects and programs for the propogation and protection of game and fish | | $ 2,772.98 | $ 3,956.33 | $ 4,248.34 | $ 4,493.44 | $ 4,702.49 | $ 4,883.83 |
| 15.0% | EDD: 75% for outdoor recreation division special projects and infrastructure | | $ 1,418.00 | $ 2,023.12 | $ 2,172.44 | $ 2,297.78 | $ 2,404.68 | $ 2,497.41 |
| | EDD: 25% for the outdoor equity grant program | | $ 472.67 | $ 674.37 | $ 724.15 | $ 765.93 | $ 801.56 | $ 832.47 |
| 10.0% | NMED: Water quality and river habitat projects | | $ 1,260.44 | $ 1,798.33 | $ 1,931.06 | $ 2,042.47 | $ 2,137.50 | $ 2,219.92 |
| 8.0% | DCA: For the Cultural Properties Protection Act | | $ 1,008.36 | $ 1,438.66 | $ 1,544.85 | $ 1,633.98 | $ 1,710.00 | $ 1,775.94 |
| 100.0% | TOTAL Distributions | | $ 12,604.45 | $ 17,983.31 | $ 19,310.62 | $ 20,424.74 | $ 21,374.97 | $ 22,199.21 |

**Insurance Premium Tax Distributions Forecast**
**(in millions)**

| Agency | Fund Name | FY24 | FY25 Est. | FY26 Est. | FY27 Est. | FY28 Est. | FY29 Est. | FY30 Est. |
|---|---|---|---|---|---|---|---|---|
| HCAD | Health Care Affordability Fund | $ 174.9 | $ 97.2 | $ 211.5 | $ 212.4 | $ 200.4 | $ 197.3 | $ 197.1 |
| DFA | Law Enforcement Protection Fund | $ 24.8 | $ 28.7 | $ 35.2 | $ 35.8 | $ 34.8 | $ 34.7 | $ 35.0 |
| DHSEM | Fire Protection Fund | $ 118.8 | $ 135.4 | $ 152.3 | $ 162.2 | $ 170.5 | $ 178.9 | $ 187.0 |
| DOH | Emergency Medical Services Fund | $ - | $ 1.7 | $ 13.3 | $ 13.3 | $ 12.4 | $ 12.2 | $ 12.2 |

## Sources and Uses of Bonding Capacity Available for Authorization and Severance Tax Permanent Fund Transfer (in millions) August 2025

| Sources of Funds | FY26 | FY27 | FY28 | FY29 | FY30 | 5-Year |
|---|---|---|---|---|---|---|
| **General Obligation Bonds** | **$363.7** | | **$363.7** | | **$363.7** | **$1,091.1** |
| **Senior STBs** | **$1,116.9** | **$1,160.4** | **$1,180.5** | **$1,210.0** | **$1,214.0** | **$5,881.8** |
| Severance Tax Bonds Issued[1] | $385.0 | $385.0 | $385.0 | $385.0 | $385.0 | $1,925.0 |
| Severance Tax Notes | $731.9 | $775.4 | $795.5 | $825.0 | $829.0 | $3,956.8 |
| **Supplemental STBs** | **$742.6** | **$797.1** | **$838.6** | **$888.2** | **$916.6** | **$4,183.2** |
| Supplemental Severance Tax Bonds | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 | $0.0 |
| Supplemental Severance Tax Notes | $742.6 | $797.1 | $838.6 | $888.2 | $916.6 | $4,183.2 |
| **TOTAL Sources of STB Funds** | **$1,859.5** | **$1,957.5** | **$2,019.1** | **$2,098.2** | **$2,130.7** | **$10,065.0** |

| Uses of Funds | FY25 | FY27 | FY28 | FY29 | FY30 | 5-Year |
|---|---|---|---|---|---|---|
| **General Obligation Bonds** | **$363.7** | | **$363.7** | | **$363.7** | **$1,091.1** |
| **Senior Severance Tax Bonds** | **$1,116.9** | **$1,957.5** | **$2,019.1** | **$2,098.2** | **$2,130.7** | **$9,322.4** |
| Authorized but Unissued STB Projects | $63.5 | $0.0 | $0.0 | $0.0 | $0.0 | $63.5 |
| Earmark Programs | | | | | | |
| 9.0% of Senior STB for Water Projects | $168.6 | $172.5 | $174.3 | $176.9 | $177.3 | $869.5 |
| 4.5% of Senior STB for Colonias Projects | $84.3 | $86.2 | $87.1 | $88.5 | $88.6 | $434.8 |
| 4.5% of Senior STB for Tribal Projects | $84.3 | $86.2 | $87.1 | $88.5 | $88.6 | $434.8 |
| 2.5% Housing Trust Fund Projects | $46.8 | $47.9 | $48.4 | $49.1 | $49.2 | $241.5 |
| Capital Development Reserve & Program Funds[2] | | | | | | |
| Capital Dev. & Reserve Fund Distribution | $174.8 | $268.0 | $361.2 | $454.4 | $547.6 | $1,805.9 |
| New Senior STB Statewide Capital Projects | $494.7 | $499.6 | $422.3 | $352.6 | $262.6 | $2,031.8 |
| **PSCOC Public School Capital** | **$742.6** | **$797.1** | **$838.6** | **$888.2** | **$916.6** | **$4,183.2** |
| **TOTAL STB Uses of Funds** | **$1,859.5** | **$1,957.5** | **$2,019.1** | **$2,098.2** | **$2,130.7** | **$10,065.0** |

### Estimated Transfer to Severance Tax Permanent Fund

| | FY25 | FY27 | FY28 | FY29 | FY30 | 5-Year |
|---|---|---|---|---|---|---|
| **Severance Tax Permanent Fund Transfer** | **$642.9** | **$705.2** | **$769.1** | **$784.1** | **$878.5** | **$3,779.8** |

[1] The State Board of Finance has calculated the "capped" debt capacity to be $385 million annually.

[2] Per HB 253 (2024), SBOF shall distribute any cash savings resulting from reduced long-term bond issuance (also k debt service savings) annually to the newly established Capital Development and Reserve Fund. Based on the tradit SBOF capacity calculation, estimated at $1,140.9 million, and the issuance amount of $385 million per HB253, avera debt service savings are estimated to total $93.2 million, which is applied for 10 years, compounding each year in wh service savings are realized. This analysis assumes savings will be realized each year. Additionally, on January 1 of a distribution from the Capital Development Reserve fund will be made to the Capital Development Program Fund fo project and design and engineering appropriation.

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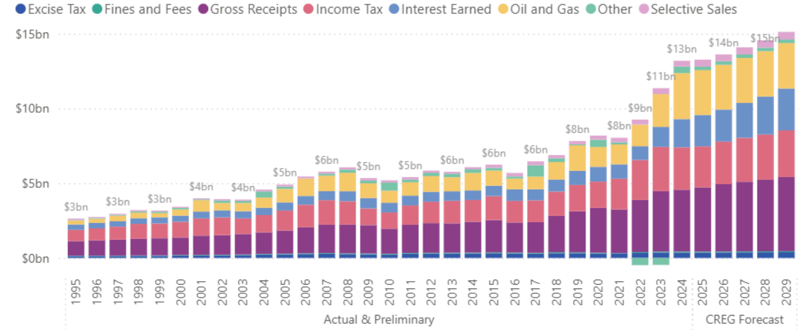
## General Fund Revenue History and Forecast

NEW MEXICO LEGISLATIVE FINANCE COMMITTEE

### General Fund Revenue




Filter by Revenue and Year

All

1995 2029

1965 2029

Clear all selections

### Year-over-Year Growth


| | 1995 | 1996 | 1997 | 1998 | 1999 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Excise Tax | $123.7M | $130.7M | $132.0M | $137.6M | $134.2M | $161.6M | $165.9M | $178.6M | $193.8M | $232.9M | $239.0M | $260.6M | $275.7M | $257.1M | $245. |
| Fines and Fees | $25.7M | $26.7M | $27.3M | $30.0M | $35.8M | $38.6M | $40.9M | $39.2M | $38.4M | $42.9M | $44.3M | $48.1M | $49.0M | $50.7M | $50. |
| Gross Receipts | $982.0M | $1,020.7M | $1,070.6M | $1,120.9M | $1,153.0M | $1,173.6M | $1,290.0M | $1,310.3M | $1,374.9M | $1,443.3M | $1,556.6M | $1,744.9M | $1,901.9M | $1,922.9M | $1,901. |
| Income Tax | $747.9M | $808.1M | $864.2M | $989.3M | $985.9M | $1,047.4M | $1,150.1M | $1,188.6M | $1,040.1M | $1,153.1M | $1,333.4M | $1,512.3M | $1,640.2M | $1,568.1M | $1,121. |
| Interest Earned | $367.2M | $358.8M | $362.8M | $387.7M | $414.0M | $410.6M | $453.5M | $473.2M | $478.7M | $484.3M | $547.3M | $585.6M | $602.2M | $661.4M | $692. |
| Oil and Gas | $260.5M | $273.6M | $374.4M | $369.7M | $280.4M | $415.6M | $765.2M | $490.8M | $552.0M | $686.7M | $903.1M | $1,160.5M | $1,038.1M | $1,236.3M | $983. |
| Other | $39.5M | $51.5M | $54.2M | $89.9M | $93.3M | $100.1M | $55.5M | $170.6M | $144.3M | $409.5M | $156.6M | $6.8M | $130.1M | $223.1M | $189. |
| Selective Sales | $89.9M | $71.9M | $71.9M | $81.3M | $74.9M | $73.8M | $73.5M | $84.8M | $83.0M | $121.6M | $130.8M | $131.8M | $136.9M | $143.2M | $159. |
| **Total** | **$2,636.4M** | **$2,742.0M** | **$2,957.4M** | **$3,206.4M** | **$3,171.5M** | **$3,421.3M** | **$3,994.6M** | **$3,936.1M** | **$3,905.2M** | **$4,574.3M** | **$4,911.1M** | **$5,450.6M** | **$5,774.1M** | **$6,062.8M** | **$5,343.** |

Sources: History of Revenues - LFC Files; Forecast - December 2024 Consensus Revenue Estimate