GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER

Glen Lee
Chief Financial Officer

September 30, 2025

The Honorable Muriel Bowser
Mayor of the District of Columbia
1350 Pennsylvania Avenue, NW, Suite 306
Washington, DC 20004

The Honorable Phil Mendelson
Chairman
Council of the District of Columbia
1350 Pennsylvania Avenue, NW, Suite 504
Washington, DC 20004

Re: September 2025 Revenue Estimates

Dear Mayor Bowser and Chairman Mendelson:

This letter certifies the revenue estimates for the FY 2024–2028 District of Columbia Budget and Financial Plan. Compared to the June 2025 estimate, FY 2025 revenue has increased by an additional $208.9 million based on year-to-date collection data, which reflects significantly higher-than-expected revenue from corporate and individual income taxes. The forecast for FY 2026–2029 has also been increased by an average of $180 million annually, mainly due to an improved economic outlook for corporate earnings and capital gains from financial markets. The table below compares the September 2025 estimate with the June 2025 estimate. It also shows the estimated revenue impact of legislative changes included in the District's FY 2026 Budget Support Act and the federal One Big Beautiful Bill Act (OBBBA), signed into law on July 4, 2025, the fiscal impact of which is more than offset by the increased revenue.

September 2025 Revenue Estimate Compared to Previous Estimate

	Actual	Estimated			Projected	
Local Source, General Fund Revenue Estimate ($M)	**FY 2024**	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**
June 2025 Revenue Estimate	**10,223.9**	**10,923.9**	**10,630.6**	**10,917.4**	**11,278.7**	**11,656.4**
FY 2026 Budget Support Act Revenue		*-100.9*	*18.2*	*94.2*	*103.4*	*106.8*
*Estimated Revenue Impacts of OBBBA**		*-94.4*	*-171.6*	*-151.5*	*-139.4*	*-100.8*
September economic revision to the estimate		*208.9*	*263.6*	*161.1*	*153.7*	*116.8*
September 2025 Revenue Estimate	**10,223.9**	**10,937.5**	**10,740.8**	**11,021.2**	**11,396.4**	**11,779.2**
Revenue Change From Previous Year						
Amount		713.6	(196.7)	280.4	375.3	382.8
Year-Over-Year Percent Change		*7.0%*	*-1.8%*	*2.6%*	*3.4%*	*3.4%*

* *OBBBA stands for the One Big Beautiful Act*

The increased revenue during the financial plan period mainly comes from higher corporate franchise and non-withholding income tax revenue. While strong corporate earnings and stock market growth have led to exceptional increases in revenue, these revenue sources are more volatile and far less connected to the local economy than sales, withholding, and property taxes. The shift toward greater reliance on more volatile revenue sources continues a post-pandemic trend that reduces the overall stability and resilience of the District's revenue streams and economic base. The share of revenue from real property taxes, a traditionally stable source, has decreased due to lower commercial property values resulting from reduced federal and private sector demand for leased space as remote work has expanded. Demand for leased space is expected to contract further as both private and federal employment decline over the next several years. Revenue from withholding and sales taxes is also expected to decline as federal and private sector job losses reduce the federal workforce.

The revised September 2025 revenue estimates incorporate the revenue impacts of the FY 2026 Budget Support Act (BSA) and OBBBA. With these changes, local fund revenue is projected to grow by 7 percent in FY 2025, decline by 1.6 percent in FY 2026, and grow by an average of 3 percent annually over the remainder of the financial plan.

Policy Adjustments – One Big Beautiful Act

The chart below shows the fiscal effects of OBBBA on individual income and business taxes for FY 2025-2029, which have been incorporated into the revenue estimates.

Estimated Revenue Impacts of OBBBA, FY 2025-2029

Tax	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	TOTAL FY 2025-FY 2029
Individual Income	(3.3)	(68.9)	(58.0)	(58.5)	(37.3)	(226.1)
Business Income	(91.1)	(102.7)	(93.6)	(80.9)	(63.5)	(431.7)
Total Impact	**(94.4)**	**(171.6)**	**(151.6)**	**(139.4)**	**(100.8)**	**(657.8)**

Key provisions of OBBBA with a significant revenue impact include:

1. **Individual Income Tax**: Key provisions of the bill include the exclusion of certain types of tipped wages and overtime pay from taxable income, which is expected to lower withholding during the year and reduce next April's final liabilities. Increased standard deduction, expanded senior credit, and car loan interest deduction also reduce individual income tax liability to the District.

2. **Business Income Taxes**: Key provisions include a special depreciation allowance for qualified production property, full expensing of research and experimentation capital expenditures, and interest deductions, which will all reduce businesses' tax liability to the District.

This estimate is based on various sources, including cash collection reports; federal data on District population, employment, and income; private sources on housing, commercial real estate, and hotels; and U.S. economic forecasts prepared by the Congressional Budget Office and private-sector economists, such as the Blue Chip consensus forecast by 50 private-sector economists and two private firms (S&P Global and Moody's Analytics) that also forecast the District's economy.

FY 2025 Revenue Highlights

Growth in FY 2025 year-to-date revenue receipts through August exceeded the last forecast in nearly all major tax categories except property taxes. Thus, the revenue estimate for the financial plan period has been updated to reflect these year-to-date gains and the revised economic outlook for the District compared to the last forecast.

Real property tax

Year-to-date real property tax collections through August have decreased by 0.9 percent, which is slightly better than the previously forecasted 2.7 percent. Second-half real property tax late payments and refunds are expected to continue into the end of the fiscal year and into FY 26, potentially exerting a negative overall impact. Consequently, the forecast for FY 2025 through FY 2027 remains unchanged. For the out-years, the estimate has been lowered by $9 million in FY 2028 and $27 million in FY 2029 due to anticipated reduced federal and private sector demand for office space.

Sales tax

The latest sales tax collections show that general sales tax revenue for FY 2025 is growing by 4.3 percent, slightly above the June forecast of 3.8 percent, driven by strong retail and restaurant sales. Much of the growth in sales tax revenue from the leisure and hospitality sector occurred earlier in the fiscal year; however, that growth has since weakened. Additionally, the outlook for personal consumption expenditures, a key variable that is highly correlated with general sales revenue performance, has been revised downward throughout the forecast period. The forecast for general sales tax revenue, before policy actions, has been reduced by $24 million in FY 2026 and by an average of $35 million annually over the remaining period.

Individual Income Taxes

Year-to-date individual income tax collections grew 12 percent, exceeding the 9.5 percent growth projected in June for the fiscal year. The withholding tax component grew by 5.6 percent despite job losses in both the government and private sectors. As a result, the FY 2025 forecast for withholding has been revised upward by $29.8 million. The performance of withholding largely relies on District residents' employment and wages. In FY 2026, resident wages are expected to decline, followed by a slow recovery in the subsequent years. Compared to the previous forecast, growth rates for these indicators were revised downward for FY 2026 and FY 2027. Withholding tax revenues are expected to decrease by $17 million in FY 2026 and by an average of $51.7 million in subsequent years, primarily due to weaker private sector job growth than forecasted in June.

The non-withholding component of individual income tax revenues nearly doubled, benefiting from record-high April final tax receipts and higher estimated payments. Estimated payments in August rose by 20.9 percent compared to last year and based on the preliminary third-quarter filing reported on September 15, this trend is expected to continue for the rest of the fiscal year. As a result, the non-withholding portion of the individual income tax revenues has been adjusted upward for FY 2025, reflecting the stronger year-to-date gains. Out-year revenue for non-withholding taxes has also been revised higher, based on an improved forecast for stock market performance.

Business Income Taxes

Corporate franchise tax revenue grew 18.2 percent through August and is expected to finish the year on a strong note, driven by solid growth in estimated payments since our last forecast. The FY 2025 forecast has been revised upward by $44.9 million due to stronger year-to-date collections. The outlook for corporate business tax revenue has markedly improved since the last forecast, mainly because of an increased degree of certainty around international trade policies, ongoing strong capital spending on artificial intelligence (AI) data centers, and the enactment of federal tax changes that will boost corporate profits moving forward. As a result, the forecast for the corporate franchise tax revenue has been revised upward to reflect the improved outlook for corporate earnings.

Unincorporated franchise tax revenues increased 7.2 percent year-to-date, driven by strong tax collections in April and higher estimated payments, mainly from the government services and consulting sectors, which continued through August. Consequently, the forecast has been revised upward by $13 million for FY 2025 and by an average of $18.8 million annually for the rest of the financial plan.

Gross receipts taxes

Year-to-date gross receipts tax revenue has increased by 1.4 percent, primarily due to higher public utility tax receipts. While the FY 2025 forecast for gross receipts remains relatively stable, the out-year forecast has been lowered by an average of $58 million annually based on adjustments to hospital inpatient and outpatient payments following federal changes to Medicaid reimbursement.

Deed taxes

Deed and economic interest tax collections through August have increased by 23.4 percent, exceeding the 19 percent growth forecasted in June. This increase was supported by a few multi-family sales, which are considered one-time. Consequently, the FY 2025 forecast was revised upward by approximately $30 million, while the out-year forecast remains relatively unchanged.

Non-tax and lottery revenue

Non-tax revenue through August grew 33 percent. Most of this growth occurred early in the fiscal year and results from the deployment of additional automated traffic camera units, which were already included in the baseline forecast. Recently, traffic fine revenue collections have slowed, leading to a downward adjustment of the forecast. Receipts from the Universal Paid Leave fund and emergency ambulance fees, which are part of the charges and services category within non-tax revenue, have shown increased collections in recent months. These changes led to a $48.1 million upward revision to FY 2025's total non-tax revenue, while the forecast for future years was adjusted downward by about $9.7 million annually during the remainder of the financial plan.

National and Regional Economies

Real gross domestic product (GDP) in the United States grew at an annualized rate of 3.8 percent in the second quarter of 2025, following a 0.5 percent decline in the first quarter, according to the third estimate from the Bureau of Economic Analysis (BEA). These changes mainly reflect volatility in international trade activity. A more stable indicator of underlying domestic demand—final sales to private domestic buyers, which includes consumer spending and private fixed investment—increased by 1.9 percent in both quarters. Personal Consumption Expenditures (PCE), a key measure of consumer spending, rose at an annual rate of 2.4 percent in the second quarter, slightly lower than the 2.7 percent increase in the first quarter. The core PCE price index, which excludes food and energy and serves as an important measure of inflation, increased by 2.5 percent. Inflation is expected to stay above the Federal Reserve's target of 2 percent in the near term, partly due to the impact of recent tariff hikes.

The Bureau of Labor Statistics (BLS) August Employment Report indicates increasing weakness in the labor market. Job growth over the three months from June to August totaled just 29,000, a significant drop from the earlier average of 100,000–150,000 per month. The U.S. unemployment rate increased to 4.3 percent, its highest point in nearly four years. On September 9, the Bureau of Labor Statistics issued a preliminary benchmark revision estimating that nonfarm payrolls as of March 2025 will be revised downward by 911,000 jobs. This notable revision adds to growing evidence of a slowing labor market.

Employment growth in the Washington metropolitan area continued to lag the national average in the second quarter of 2025, with regional employment increasing 0.8 percent for the quarter compared to 1.1 percent nationally. Slowing job growth is likely to remain a drag on the region's economy.

U.S. Recent History

	2024q2	2024q3	2024q4	2025q1	2025q2
Real GDP (% change from prior year)	3.0	2.7	2.5	2.0	2.1
Nominal GDP (% change from prior year)	5.7	5.0	5.0	4.7	4.6
Nominal Personal Income (% change from prior year)	5.5	5.0	5.2	4.5	4.9
Unemployment rate (%)	4.0	4.2	4.2	4.1	4.2
CPI (% change from prior year)	3.2	2.7	2.7	2.7	2.5
Yield on 10-Year Treasury (%)	4.4	3.9	4.3	4.5	4.4
S&P 500 (average level)	5,254	5,546	5,911	5,901	5,737

Source: Bureau of Economic Analysis, Bureau of Labor Statistics, SP Global, and Moody's Analytics

U.S. Forecast

	FY 2024 (actual)	FY 2025 (est.)	FY 2026 (est.)	FY 2027 (est.)	FY 2028 (est.)	FY 2029 (est.)
Real GDP (% change)	3.0	2.0	1.7	1.8	1.8	2.1
Nominal GDP (% change)	5.5	4.7	4.9	4.3	4.1	4.2
Nominal Personal Income (% change)	5.4	5.0	5.1	5.0	4.4	4.2
Unemployment rate (%)	3.9	4.2	4.5	4.6	4.5	4.3
CPI (% change)	3.1	2.7	3.0	2.6	2.2	2.0
Yield on 10-Yr Treasury (%)	4.2	4.4	4.2	4.1	4.1	4.1
S&P 500 (level last quarter)	5,911	6,311	5,888	5,768	5,787	5,813

Source: Office of Revenue Analysis September 2025 Outlook

The new administration's efforts to restructure the U.S. economy have introduced considerable uncertainty across three critical policy domains: trade, fiscal, and federal administration. Recent tariff increases are expected to temporarily elevate goods-related inflation, while ongoing reductions in the federal workforce may further suppress national employment growth. As of August 2025, federal employment has declined by more than 85,300 positions. This figure likely understates the full extent of the contraction, as it excludes individuals currently on administrative leave or severance arrangements. Furthermore, more than 150,000 federal employees who accepted deferred resignation offers are scheduled to depart later this year.

In response to labor market concerns, the Federal Reserve lowered the benchmark federal funds rate by 0.25 percentage points on September 17, bringing it down to a range of 4.00 percent to 4.25 percent. The Federal Reserve projects two more rate cuts, likely in October and December 2025, which would bring the rate down to around 3.5 percent to 3.75 percent by year-end. Lower rates will be welcomed by prospective homebuyers, many of whom had been priced out due to high borrowing costs.

Based on forecasts from sources such as S&P Global and Moody's, we expect economic growth to moderate in the second half of 2025 due to policy uncertainty and the potential for rising prices from tariffed imports. However, AI-related investment is expected to boost productivity and capital spending in the next few years, offering a partial offset to recent economic headwinds. The GDP projections, along with forecasts for other economic activities in the nation and the District of Columbia, depend on a combination of factors, including key economic drivers, global market trends, geopolitical events, and changes in monetary and fiscal policy. The inherent uncertainties and complexities influencing the current economic dynamics make it crucial to monitor these factors closely to gain an understanding of the evolving economic landscape.

District of Columbia Economy

The District of Columbia's economy is under significant strain due to large reductions in the federal workforce and a sharp decline in contracting activity initiated by the new administration. Since early 2025, job losses, mainly caused by federal workforce reductions, have led to a noticeable increase in unemployment, widening the gap between the District's unemployment rate and the national average. The unemployment rate in the District reached 6.0 percent in both July and August, up from 5.3 percent at the start of the year. The private sector, especially professional and business services closely linked to federal contracts, has shrunk in recent months. Meanwhile, employment increases in sectors such as leisure and hospitality and healthcare have not been enough to counterbalance the overall losses.

The total number of jobs in the District decreased by 3,626 from the second quarter of 2024 to the same period in 2025. The Leisure and Hospitality sector gained 2,167 jobs, the Other Services sector, mainly composed of nonprofit organizations, added 967 jobs, and the Education and Health sector increased by 533 jobs. However, these gains were more than offset by significant losses in the Federal Government and Business Services sectors, which lost 4,048 and 2,486 jobs, respectively. Although job losses in the Federal Government sector were substantial, they were less severe than the projections in the June forecast. This was partly due to federal court rulings that blocked the administration's efforts to accelerate downsizing the federal workforce.

In the first quarter of 2025, the District of Columbia's real gross state product (GSP) was estimated at $149.4 billion, remaining essentially unchanged from the fourth quarter of 2024. Personal income growth has moderated in recent quarters, advancing at a rate of 4.5 percent in the first quarter, consistent with the national average.

D.C. Recent History

	2024q1	2024q2	2024q3	2024q4	2025q1
Real GDP (% change from prior year)	1.6	0.6	1.8	1.5	1.8
Nominal GDP (% change from prior year)	6.1	4.9	5.6	5.4	5.4
Nominal Personal Income (% change from prior year	5.8	4.9	4.4	5.4	4.5
Wages in D.C. (% change from prior year)	6.4	4.7	3.5	6.4	5.4
D.C. Resident Wages (% change from prior year)	6.9	5.3	4.0	6.2	4.9
Employment in D.C. (% change from prior year)	0.7	0.1	0.2	0.5	-0.2
D.C. Resident Employment (% change from prior year)	3.9	2.7	1.4	0.7	0.7
Unemployment rate (%)	5.1	5.2	5.3	5.3	5.4
Washington area CPI (% change from prior year)	4.0	3.1	2.6	3.1	3.2

Source: BEA; BLS; ORA

Tourism remains a vital component of the District of Columbia's economy, accounting for approximately 10 percent of the city's workforce. According to Destination DC, the city welcomed nearly 27.2 million visitors in 2024, including 25 million domestic travelers and 2.2 million international visitors. However, tourism activity has moderated in 2025, with the decline particularly pronounced among international arrivals. Passenger traffic at the region's major airports—Ronald Reagan Washington National, Washington Dulles International, and Baltimore/Washington International—fell by 1.4 percent during the first six months of the year compared to the same period in 2024. The hospitality sector has also experienced a notable slowdown, with hotel room nights sold in August declining by 7.9 percent year-over-year, accompanied by a 6.4 percent decrease in the average room rate.

Higher mortgage interest rates have slowed existing home sales both nationally and regionally from their post-pandemic highs. In the District, the number of active housing units for sale remains exceptionally low, with closed sales of existing homes in Q2 2025 totaling approximately 6,800 units at an annualized rate, close to the lowest level in over a decade. Housing starts have also declined sharply, falling to an annual rate of 1,030 units in the second quarter, well below the average of 4,300 units for the last decade.

A positive development for the District's economy is that the civilian labor force and resident employment exceeded their pre-pandemic peaks in the first quarter of 2024. After a significant population decline in 2020, the District has experienced three consecutive years of population growth, reversing the losses seen during the COVID-19 pandemic. In December 2024, the U.S. Census Bureau released updated estimates showing that the District's population increased from 687,324 to 702,250 between July 2023 and July 2024, a net gain of 14,926 residents. Most of this growth (12,502 individuals) was due to net international migration. However, population growth in the District of Columbia is expected to remain nearly stagnant during the next four years, mainly because of anticipated labor market pressures.

DC Forecast

	FY 2024 (actual)	FY 2025 (est.)	FY 2026 (est.)	FY 2027 (est.)	FY 2028 (est.)	FY 2029 (est.)
Real GDP (% change)	1.5	0.6	-3.5	0.1	1.3	1.8
Nominal GDP (% change)	5.9	4.1	-0.4	2.5	3.5	3.9
Nominal Personal Income (% change)	5.3	4.8	1.6	3.5	3.8	3.8
Wages in D.C. (% change)	5.1	5.5	-0.7	2.4	3.3	3.5
D.C. Resident Wages (% change)	5.9	5.7	-0.3	2.5	3.0	3.1
Population (% change)	2.1	1.4	0.2	-0.2	0.0	0.2
Employment in D.C. (% change)	0.5	-0.3	-3.9	-0.8	0.2	0.5
D.C. Resident Employment (% change)	3.0	0.5	-2.3	-0.3	0.6	0.8
Unemployment rate (%)	5.2	5.7	6.8	6.8	6.4	6.1
Washington area CPI (% change)	3.4	3.2	2.9	2.6	2.4	2.2

Source: Office of Revenue Analysis, September 2025 Outlook

The economic outlook for the District of Columbia is increasingly clouded by uncertainty. As the most government-dependent economy in the United States, the District benefits from a stabilizing federal presence, which has historically helped shield it from wider private-sector fluctuations. However, this structural dependence also creates vulnerabilities. Ongoing efforts by the new administration to cut the federal workforce are expected to disproportionately impact the District and the region.

Between January and August 2025, the District recorded a net loss of 10,900 jobs, with federal employment accounting for 8,700 of those losses. Job reductions are expected to accelerate in early FY 2026, as a significant number of federal employees who accepted deferred resignation offers transition out of the workforce. We expect a reduction of slightly over 20 percent in the District's federal payrolls by 2029.

Combined with the relocation of key federal agencies and the inflationary impact of higher tariffs, these developments are expected to cause a regional economic slowdown. This downturn will likely lower household income, reduce consumer demand, and add pressure to the District's labor market.

We have updated our September forecast to reflect recent developments. The District's real GDP is now projected to grow by 0.6 percent in FY 2025, trailing the national growth rate of 2.0 percent. The District economy is expected to enter a moderate recession in FY 2026, with GDP contracting by 3.5 percent, before beginning a gradual recovery in FY 2027 and returning to trend growth by FY 2028 and FY 2029. Employment in the city is expected to see a small decline of 0.3 percent in FY 2025, a decline of 3.9 percent in FY 2026, and a decrease of 0.8 percent in FY 2027. Other key economic indicators have also been adjusted to reflect these latest trends.

Risks to the Forecast

The current economic forecast for the District of Columbia is subject to several notable risks. As a government-centric economy, the District remains highly dependent on federal employment and associated contracting activity, making the policy direction of the current administration a critical determinant of the city's economic trajectory. Recent federal budget reductions and executive rescissions have prompted private-sector employers to scale back operations, resulting in a contraction of professional and management employment to its lowest level since 2021, when the region was emerging from the pandemic-induced recession. Since January, the sector has shed approximately 3,800 jobs.

According to the U.S. Department of Government Efficiency, the task force established to review federal contracts and grants for potential cancellation has led to the termination of at least 13,000 federal contracts nationwide, with a combined value approaching $59 billion. Firms based in the District will likely be disproportionately affected by these cancellations, further exacerbating economic pressures in the region.

Also noteworthy are the shifts that are occurring in the District's revenue base. Since FY 2019, income tax revenue from capital gains earnings and corporate franchise taxes have grown at an annual rate of just over 6 percent and 12 percent, respectively. These revenues are volatile and are primarily influenced by activity unrelated to economic conditions in the District and metropolitan area, unlike more stable sources of sales, withholding and property taxes which are expected to decline over the forecast period.

The office real estate market continues to pose a significant risk to the District of Columbia's economic outlook, as persistently high vacancy rates remain a major concern. In the second quarter of 2025, the average office vacancy rate in the central business district reached 18.5 percent. This elevated level is expected to persist despite the recent implementation of a return-to-office mandate for federal employees. Complicating the sector's recovery, the current administration's decision to terminate millions of square feet of federal leases and initiate the sale of government-owned buildings is likely to further weaken demand. These actions may exacerbate existing oversupply conditions and place additional downward pressure on commercial property values and leasing activity.

Another risk is the prospect of a prolonged federal government shutdown, which could place significant strain on the economy. Previous federal government shutdowns disrupted the District's economy and had a range of impacts on revenue.

The prevailing risks and high levels of uncertainty create a challenging forecast environment. We will continue to carefully monitor monthly cash flow patterns, developments in the nation's economy and capital markets, and any geopolitical events that could impact the forecast.

If you have any questions regarding these matters, please contact me at (202) 727-2476.

Sincerely,

Glen Lee
Chief Financial Officer

<u>DISTRIBUTION LIST</u>

Councilmember Anita Bonds (At-Large)
Councilmember Robert White (At-Large)
Councilmember Christina Henderson (At-Large)
Councilmember Kenyan McDuffie (At-Large)
Councilmember Brianne Nadeau (Ward 1)
Councilmember Brooke Pinto (Ward 2)
Councilmember Matthew Frumin (Ward 3)
Councilmember Janeese Lewis George (Ward 4)
Councilmember Zachary Parker (Ward 5)
Councilmember Charles Allen (Ward 6)
Councilmember Wendell Felder (Ward 7)
Councilmember Trayon White, Sr. (Ward 8)
Kevin Donahue, City Administrator
Lindsey Parker, Chief of Staff, Executive Office of the Mayor
Jennifer Reed, Director, Mayor’s Office of Budget and Performance Management
Jennifer Budoff, Budget Director, Council of the District of Columbia
Kathy Patterson, District of Columbia Auditor

TABLE 1: REVENUE SUMMARY TABLE

$ in Thousands	ACTUAL	ESTIMATE		OUT YEAR PROJECTIONS		
	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029
PROPERTY	3,039,519	2,965,292	2,875,519	2,930,855	2,989,105	3,072,977
Real Property	2,916,752	2,838,986	2,748,983	2,802,647	2,860,333	2,944,296
Personal Property	83,354	87,012	88,059	88,993	89,555	89,463
Public Space Rental	39,413	39,294	38,477	39,216	39,217	39,218
Dedicated to other funds	*-52,541*	*-33,209*	*-28,095*	*-28,609*	*-24,306*	*-25,015*
PROPERTY (NET)	2,986,978	2,932,083	2,847,423	2,902,246	2,964,799	3,047,962
SALES & EXCISE	2,084,378	2,165,696	2,119,502	2,255,164	2,296,410	2,358,776
General Sales	2,001,987	2,081,498	2,036,975	2,173,922	2,214,612	2,274,782
Alcohol	7,027	7,140	6,817	6,715	6,782	6,850
Cigarette	9,763	8,273	8,673	8,578	8,484	8,391
Motor Vehicle	43,823	42,262	45,884	45,163	46,097	48,669
Motor Fuel	21,778	26,523	21,152	20,786	20,434	20,084
Dedicated to other funds	*-593,709*	*-591,035*	*-552,505*	*-547,278*	*-541,278*	*-544,538*
SALES & EXCISE(NET)	1,490,670	1,574,661	1,566,997	1,707,886	1,755,132	1,814,238
INCOME	4,271,954	4,704,709	4,496,990	4,563,303	4,684,090	4,830,870
Individual Income	3,138,951	3,491,658	3,361,140	3,385,500	3,474,196	3,593,052
Corporate Franchise	932,363	997,781	947,355	989,733	1,019,959	1,045,219
U.B. Franchise	200,640	215,270	188,495	188,070	189,935	192,600
INCOME (NET)	4,271,954	4,704,709	4,496,990	4,563,303	4,684,090	4,830,870
GROSS RECEIPTS	421,622	567,706	584,796	587,127	588,995	580,277
Public Utilities	122,724	124,702	124,559	123,993	123,428	124,415
Toll Telecommunications	35,869	35,347	34,347	33,506	32,221	32,478
Insurance Premiums	167,070	174,769	186,780	188,692	190,627	192,584
Ballpark Fee	51,519	49,743	52,266	53,508	54,699	55,916
Private sports wagering	3,795	18,734	18,884	19,035	19,188	19,341
Games of Skill	121	135	136	138	139	140
Health Related Taxes	40,524	164,275	167,824	168,255	168,695	155,403
Dedicated to other funds	*-177,002*	*-302,217*	*-323,343*	*-325,781*	*-300,852*	*-267,593*
GROSS RECEIPTS (NET)	244,620	265,488	261,453	261,346	288,143	312,685
OTHER TAX	375,079	459,394	485,424	530,943	665,469	743,305
Estate	44,965	41,355	45,803	46,331	46,866	47,407
Deed Recordation	168,985	218,733	241,620	263,494	335,129	378,412
Deed Transfer	147,327	175,610	177,834	200,950	263,306	297,318
Economic Interest	13,803	23,697	20,168	20,168	20,168	20,168
Dedicated to other funds	*-49,888*	*-50,857*	*-51,738*	*-52,768*	*-53,819*	*-54,891*
OTHER TAX (NET)	325,191	408,538	433,687	478,175	611,650	688,414
TOTAL TAX (GROSS)	**10,192,552**	**10,862,796**	**10,562,231**	**10,867,392**	**11,224,069**	**11,586,206**
TOTAL TAX (NET)	**9,319,412**	**9,885,478**	**9,632,251**	**9,912,956**	**10,303,813**	**10,694,170**
NONTAX	865,118	1,023,189	1,105,375	1,078,343	1,062,836	1,055,362
Licenses & Permits	142,463	138,545	147,477	148,610	150,224	151,875
Fines & Forfeits	232,947	281,549	291,902	286,098	280,412	274,838
Charges for Services	73,874	401,732	390,171	399,048	407,162	406,858
Miscellaneous	415,834	201,363	275,825	244,587	225,038	221,791
Dedicated to other funds	*0*	*0*	*0*	*0*	*0*	*0*
NONTAX (NET)	865,118	1,023,189	1,105,375	1,238,151	1,062,836	1,055,362
LOTTERY	39,350	28,840	28,863	29,859	29,703	29,736
Dedicated to other funds	*0*	*0*	*0*	*0*	*0*	*0*
LOTTERY (NET)	39,350	28,840	28,863	29,859	29,703	29,736
GROSS REVENUE	11,097,020	11,914,826	11,696,469	11,975,594	12,316,608	12,671,304
LOCAL FUND REVENUE	10,223,880	10,937,508	10,740,788	11,021,158	11,396,352	11,779,268
OTHER FUNDS	873,140	977,318	955,681	954,436	920,256	892,036

TABLE 1: REVENUE SUMMARY TABLE (Continued)

% Change from Year Ago	ACTUAL	ESTIMATE		OUT YEAR PROJECTIONS		
	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029
PROPERTY	2.5%	-2.4%	-3.0%	1.9%	2.0%	2.8%
Real Property	2.7%	-2.7%	-3.2%	2.0%	2.1%	2.9%
Personal Property	-0.7%	4.4%	1.2%	1.1%	0.6%	-0.1%
Public Space Rental	-5.0%	-0.3%	-2.1%	1.9%	0.0%	0.0%
Dedicated to other funds	*20.1%*	*-36.8%*	*-15.4%*	*1.8%*	*-15.0%*	*2.9%*
PROPERTY (NET)	2.2%	-1.8%	-2.9%	1.9%	2.2%	2.8%
SALES & EXCISE	3.6%	3.9%	-2.1%	6.4%	1.8%	2.7%
General Sales	4.2%	4.0%	-2.1%	6.7%	1.9%	2.7%
Alcohol	2.6%	1.6%	-4.5%	-1.5%	1.0%	1.0%
Cigarette	4.4%	-15.3%	4.8%	-1.1%	-1.1%	-1.1%
Motor Vehicle	-14.4%	-3.6%	8.6%	-1.6%	2.1%	5.6%
Motor Fuel	-3.1%	21.8%	-20.3%	-1.7%	-1.7%	-1.7%
Dedicated to other funds	*4.5%*	*-0.5%*	*-10.9%*	*3.9%*	*-1.1%*	*0.6%*
SALES & EXCISE(NET)	3.3%	5.6%	1.1%	7.2%	2.8%	3.4%
INCOME	2.3%	10.1%	-4.4%	1.5%	2.6%	3.1%
Individual Income	3.0%	11.2%	-3.7%	0.7%	2.6%	3.4%
Corporate Franchise	2.9%	7.0%	-5.1%	4.5%	3.1%	2.5%
U.B. Franchise	-9.0%	7.3%	-12.4%	-0.2%	1.0%	1.4%
INCOME (NET)	2.3%	10.1%	-4.4%	1.5%	2.6%	3.1%
GROSS RECEIPTS	3.9%	34.6%	3.0%	0.4%	0.3%	-1.5%
Public Utilities	-1.1%	1.6%	-0.1%	-0.5%	-0.5%	0.8%
Toll Telecommunications	-2.3%	-1.5%	-2.8%	-2.4%	-3.8%	0.8%
Insurance Premiums	6.0%	4.6%	6.9%	1.0%	1.0%	1.0%
Ballpark Fee	10.1%	-3.4%	5.1%	2.4%	2.2%	2.2%
Private sports wagering	141.4%	393.7%	0.8%	0.8%	0.8%	0.8%
Games of Skill	222.9%	12.2%	0.8%	0.8%	0.8%	0.8%
Health Related Taxes	4.3%	305.4%	2.2%	0.3%	0.3%	-7.9%
Dedicated to other funds	*7.6%*	*70.7%*	*7.0%*	*0.8%*	*-7.7%*	*-11.1%*
GROSS RECEIPTS (NET)	1.4%	8.5%	-1.5%	0.0%	10.3%	8.5%
OTHER TAX	-13.4%	22.5%	5.7%	9.4%	25.3%	11.7%
Estate	-52.4%	-8.0%	10.8%	1.2%	1.2%	1.2%
Deed Recordation	-13.4%	29.4%	10.5%	9.1%	27.2%	12.9%
Deed Transfer	10.0%	19.2%	1.3%	13.0%	31.0%	12.9%
Economic Interest	43.9%	71.7%	-14.9%	0.0%	0.0%	0.0%
Dedicated to other funds	*-1.6%*	*1.9%*	*1.7%*	*2.0%*	*2.0%*	*2.0%*
OTHER TAX (NET)	-15.0%	25.6%	6.2%	10.3%	27.9%	12.6%
TOTAL TAX (GROSS)	2.0%	6.6%	-2.8%	2.9%	3.3%	3.2%
TOTAL TAX (NET)	1.7%	6.1%	-2.6%	2.9%	3.9%	3.8%
NONTAX	10.6%	18.3%	8.0%	-2.4%	-1.4%	-0.7%
Licenses & Permits	-3.1%	-2.7%	6.4%	0.8%	1.1%	1.1%
Fines & Forfeits	48.8%	20.9%	3.7%	-2.0%	-2.0%	-2.0%
Charges for Services	4.7%	443.8%	-2.9%	2.3%	2.0%	-0.1%
Miscellaneous	1.9%	-51.6%	37.0%	-11.3%	-8.0%	-1.4%
Dedicated to other funds						
NONTAX (NET)	11.2%	18.3%	8.0%	-2.4%	-1.4%	-0.7%
LOTTERY	17.6%	-26.7%	0.1%	3.5%	-0.5%	0.1%
Dedicated to other funds						
LOTTERY (NET)	17.6%	-26.7%	0.1%	3.5%	-0.5%	0.1%
GROSS REVENUE	2.7%	7.4%	-1.8%	2.4%	2.8%	2.9%
LOCAL FUND REVENUE	2.5%	7.0%	-1.6%	2.4%	3.4%	3.4%
OTHER FUNDS	5.0%	11.9%	-4.8%	2.6%	-3.6%	-3.1%

TABLE 2: DEDICATED/ENTERPRISE REVENUE

$ in Thousands		ACTUAL	ESTIMATE		OUT YEAR PROJECTIONS		
DEDICATED TO	Tax Type	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029
TIF	Real Property	15,254	14,829	14,465	15,109	10,497	10,850
	General Sales	29,080	28,085	28,203	28,825	27,064	28,031
PILOT	Real Property	36,346	17,742	12,992	12,862	13,171	13,527
	General Sales	24,330	8,871	-	-	-	-
Walter Reed Development	Real Property	638	639	639	639	639	639
St. Elizabeth East Campus Red. Fund	Real Property	304	-	-	-	-	-
	General Sales	131	141	143	146	149	148
Convention Center	General Sales	167,086	175,836	165,194	165,129	164,637	166,471
Convention Center-DestinationDC	General Sales	32,211	34,280	7,371	6,674	7,208	7,352
Economic Development Special Account	General Sales	-	-	10,466	6,140	-	-
Ballpark and RFK Campus Infrastructure Fund	General Sales	13,872	16,382	16,640	16,864	17,103	17,345
	Public Utility	7,324	7,851	7,842	7,807	7,771	7,833
	Toll Telecommunication	2,062	2,067	1,997	1,922	1,950	1,938
	Sports Facilities Fee	51,519	49,743	52,266	53,508	26,261	26,261
Healthy DC - Marijuana	General Sales	1,861	1,751	1,786	-	-	-
Medical Cannabis Social Equity Fund	General Sales	-	-	-	-	-	-
Healthy DC - MCO	Insurance premium	75,573	78,282	93,413	94,290	96,176	76,158
WMATA - Operations	General Sales	75,256	76,761	78,296	79,862	81,840	82,272
WMATA - Capital	General Sales	178,500	178,500	178,500	178,500	178,500	178,500
Healthy Schools	General Sales	5,690	-	-	-	-	-
ABRA	General Sales	870	-	-	-	-	-
Comm. on Arts and Humanities	General Sales	43,044	43,905	44,754	44,352	44,343	44,335
Highway Trust Fund	Motor Fuel	21,778	26,523	21,152	20,786	20,434	20,084
Nursing Facility Quality of Care	Health Related	19,145	18,021	21,569	22,001	22,441	22,890
Hospital Fund	Health Related	8,716	8,454	8,454	8,454	8,454	8,454
Hospital Provider Fee Fund	Health Related	7,339	6,446	6,446	6,446	6,446	6,446
Inpatient Hospital - Provider Fee Fund	Health Related	-	86,274	86,274	86,274	86,274	77,647
Outpatient Hospital -Provider Fee Fund	Health Related	-	39,692	39,692	39,692	39,692	34,578
ICF-IDD Stevie Sellows	Health Related	5,325	5,388	5,388	5,388	5,388	5,388
Child Trust Fund	Sports Wager	-	-	-	-	-	-
Vision Zero Enhancement Fund	Traffic Fines-ATE	-	-	-	-	-	-
Housing Production	Deed Recordation	23,094	23,454	25,296	25,347	26,067	26,662
Trust Fund (HPTF)	Deed Transfer	22,099	21,242	20,936	21,916	22,251	22,722
	Economic Interest	2,070	3,555	3,025	3,025	3,025	3,025
Transfer to DCHA-Dev't and Rehab	Deed Recordation						
	Deed Transfer						
	Economic Interest						
HPTF-Debt Service	Deed Recordation	2,253	2,257	2,260	2,260	2,257	2,262
	Deed Transfer	-	-	-	-	-	-
	Economic Interest	-	-	-	-	-	-
West End Maintenance	Deed Recordation	185	153	65	62	75	73
	Deed Transfer	185	196	155	158	145	147
		873,140	**977,318**	**955,681**	**954,436**	**920,256**	**892,036**

** Beginning FY2026, the Ballpark Fee is renamed Sports Facilities Fee. These fees would go to the RFK Campus Infrastructure Fund upon repayment of Ballpark Revenue Bonds.*

Supplemental Tables
TABLE 1-1 REVENUE COMPONENTS

$ in Thousands	ACTUAL	ESTIMATE		OUT YEAR PROJECTIONS		
	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029
1. REAL PROPERTY	2,916,752	2,838,986	2,748,983	2,802,647	2,860,333	2,944,296
Residential (C1)	1,202,617	1,236,019	1,255,771	1,295,384	1,335,326	1,394,013
Commercial (C2)	1,676,265	1,558,041	1,448,785	1,460,136	1,475,976	1,499,323
Vacant & Blighted	37,870	44,926	46,547	48,409	50,345	52,359
2. GENERAL SALES	2,001,987	2,081,498	2,036,975	2,173,922	2,214,612	2,274,782
General (6%)	911,239	941,797	951,206	1,086,622	1,138,742	1,171,368
Food and drink for immediate consumption (10%)	549,305	568,680	544,760	548,421	562,905	580,821
Hotel and short term lodging (15.95%)	396,078	420,593	391,911	387,193	359,181	365,936
All others	145,365	147,660	147,850	149,818	151,054	153,049
3. INDIVIDUAL INCOME TAX	3,138,951	3,491,658	3,361,140	3,385,500	3,474,196	3,593,052
Withholding	2,846,218	2,991,375	2,890,721	2,949,171	3,041,693	3,151,521
Nonwithholding	292,732	500,283	470,419	436,329	432,503	441,531

Remark: Commercial (C2) includes hotel, retail stores and other industrical complex properties

Supplemental Tables
TABLE 1-1 REVENUE COMPONENTS (Continued)

% Change from Year Ago	ACTUAL	ESTIMATE	OUT YEAR PROJECTIONS			
	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029
1. REAL PROPERTY	2.7%	-2.7%	-3.2%	2.0%	2.1%	2.9%
Residential (C1)	2.6%	2.8%	1.6%	3.2%	3.1%	4.4%
Commercial (C2)	1.9%	-7.1%	-7.0%	0.8%	1.1%	1.6%
Vacant & Blighted	65.1%	18.6%	3.6%	4.0%	4.0%	4.0%
2. GENERAL SALES	4.2%	4.0%	-2.1%	6.7%	1.9%	2.7%
General (6%)	4.8%	3.4%	1.0%	14.2%	4.8%	2.9%
Food and drink for immediate consumption (10%)	-0.8%	3.5%	-4.2%	0.7%	2.6%	3.2%
Hotel and short term lodging (15.95%)	13.1%	6.2%	-6.8%	-1.2%	-7.2%	1.9%
All others	-1.8%	1.6%	0.1%	1.3%	0.8%	1.3%
3. INDIVIDUAL INCOME TAX	3.0%	11.2%	-3.7%	0.7%	2.6%	3.4%
Withholding	8.2%	5.1%	-3.4%	2.0%	3.1%	3.6%
Nonwithholding	-30.1%	70.9%	-6.0%	-7.2%	-0.9%	2.1%

Estimated Key Economic Indicators for the DC Economy - Sep. 2025

Forecast Period Fiscal Year 2019 to Fiscal Year 2029

	Actual						Estimated		Forecast		
Variable	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029
Gross Domestic Product - DC ($billions)	143.9	145.9	153.9	163.9	173.6	183.7	191.3	190.6	195.4	202.3	210.2
% change annual	*3.1%*	*1.4%*	*5.5%*	*6.5%*	*5.9%*	*5.9%*	*4.1%*	*-0.4%*	*2.5%*	*3.5%*	*3.9%*
Real GDP-DC (2017 $billions)	138.4	137.8	141.8	144.9	145.3	147.5	148.3	143.1	143.3	145.1	147.8
% change annual	*0.9%*	*-0.4%*	*2.9%*	*2.2%*	*0.3%*	*1.5%*	*0.6%*	*-3.5%*	*0.1%*	*1.3%*	*1.8%*
Personal Income ($billions)	57.4	60.0	64.5	66.7	71.4	75.3	78.9	80.2	83.0	86.2	89.4
% change annual	*2.8%*	*4.7%*	*7.4%*	*3.4%*	*7.2%*	*5.3%*	*4.8%*	*1.6%*	*3.5%*	*3.8%*	*3.8%*
Real Personal Income (2017 $billions)	50.7	52.1	53.9	51.7	53.6	55.6	56.8	55.9	56.5	57.5	58.5
% change annual	*2.7%*	*2.8%*	*3.3%*	*-3.9%*	*3.6%*	*3.6%*	*2.2%*	*-1.6%*	*1.2%*	*1.6%*	*1.8%*
Per capita personal income	81,083	87,942	96,544	98,608	104,166	107,481	111,103	112,716	116,946	121,405	125,764
% change annual	*2.1%*	*8.5%*	*9.8%*	*2.1%*	*5.6%*	*3.2%*	*3.4%*	*1.5%*	*3.8%*	*3.8%*	*3.6%*
Real per capita personal income (2017 $)	71,670	76,359	80,656	76,539	78,202	79,388	79,956	78,563	79,644	80,948	82,260
% change annual	*2.1%*	*6.5%*	*5.6%*	*-5.1%*	*2.2%*	*1.5%*	*0.7%*	*-1.7%*	*1.4%*	*1.6%*	*1.6%*
Wages in DC ($billions)	78	80	83	88	92	96	101	101	103	107	110
% change annual	*3.2%*	*1.9%*	*4.3%*	*5.6%*	*4.4%*	*5.1%*	*5.5%*	*-0.7%*	*2.4%*	*3.3%*	*3.5%*
Wages of DC residents ($billions)	30.3	30.9	32.3	34.9	37.1	39.3	41.6	41.4	42.5	43.8	45.2
% change annual	*4.4%*	*2.2%*	*4.4%*	*7.9%*	*6.5%*	*5.9%*	*5.7%*	*-0.3%*	*2.5%*	*3.0%*	*3.1%*
Personal Consumption Expenditure ($billions)	49.3	47.7	51.1	57.0	61.3	64.8	67.1	67.7	69.7	72.5	75.5
% change annual	*4.3%*	*-3.4%*	*7.3%*	*11.5%*	*7.6%*	*5.7%*	*3.5%*	*0.9%*	*2.9%*	*4.0%*	*4.1%*
Population (000s)	707.6	683.8	667.7	676.0	685.8	700.1	710.1	711.4	709.9	709.8	711.2
% change annual	*0.7%*	*-3.4%*	*-2.3%*	*1.2%*	*1.4%*	*2.1%*	*1.4%*	*0.2%*	*-0.2%*	*0.0%*	*0.2%*
Households (000s)	321.0	314.8	319.2	330.2	339.4	347.0	352.9	354.4	355.1	355.8	357.4
% change annual	*1.9%*	*-1.9%*	*1.4%*	*3.4%*	*2.8%*	*2.3%*	*1.7%*	*0.4%*	*0.2%*	*0.2%*	*0.4%*
Employment in DC (000s)	796.0	762.0	728.2	757.6	765.1	768.7	766.0	736.4	730.3	731.9	735.8
% change annual	*0.6%*	*-4.3%*	*-4.4%*	*4.0%*	*1.0%*	*0.5%*	*-0.3%*	*-3.9%*	*-0.8%*	*0.2%*	*0.5%*
Employment of DC residents (000s)	376.7	364.2	350.6	370.5	382.1	393.5	395.2	386.2	385.2	387.4	390.4
% change annual	*0.9%*	*-3.3%*	*-3.7%*	*5.7%*	*3.1%*	*3.0%*	*0.5%*	*-2.3%*	*-0.3%*	*0.6%*	*0.8%*
Civilian labor force (000s)	399.2	392.6	378.1	390.5	401.1	414.9	419.1	414.3	413.1	414.0	415.7
% change annual	*0.8%*	*-1.7%*	*-3.7%*	*3.3%*	*2.7%*	*3.4%*	*1.0%*	*-1.2%*	*-0.3%*	*0.2%*	*0.4%*
Unemployment rate	5.6	7.3	7.3	5.1	4.7	5.2	5.7	6.8	6.8	6.4	6.1
Housing Starts	5,966	4,806	5,436	4,461	5,172	1,303	1,358	1,944	2,213	2,300	2,271
Home Sales (000s)	9,822	10,029	12,691	11,162	7,709	6,749	6,747	7,442	8,276	8,546	8,750
% change annual	*-3.2%*	*2.1%*	*26.5%*	*-12.1%*	*-30.9%*	*-12.4%*	*0.0%*	*10.3%*	*11.2%*	*3.3%*	*2.4%*
Avg Home Sale Price (000s)	880.9	917.9	947.4	944.6	898.6	901.7	905.3	911.9	938.7	972.8	1,010.7
% change annual	*1.6%*	*4.2%*	*3.2%*	*-0.3%*	*-4.9%*	*0.3%*	*0.4%*	*0.7%*	*2.9%*	*3.6%*	*3.9%*
Multifamily residential average rent per unit ($)	2,196	2,201	2,194	2,309	2,360	2,407	2,447	2,455	2,502	2,577	2,650
% change annual	*2.6%*	*0.2%*	*-0.3%*	*5.2%*	*2.2%*	*2.0%*	*1.6%*	*0.3%*	*1.9%*	*3.0%*	*2.9%*
CBD office Vacancy rate	11.1%	12.0%	14.1%	15.5%	17.0%	18.1%	18.3%	19.1%	19.0%	18.8%	18.6%
SP 500 Stock Index	14.7%	15.2%	29.4%	-16.3%	16.1%	32.2%	6.8%	-6.7%	-2.0%	0.3%	0.4%
US 10 Year Treasury	2.5	1.1	1.3	2.4	3.8	4.2	4.4	4.2	4.1	4.1	4.1
Washington Area CPI: % change prior year	1.7%	1.5%	4.2%	7.3%	5.2%	3.4%	3.2%	2.9%	2.6%	2.4%	2.2%