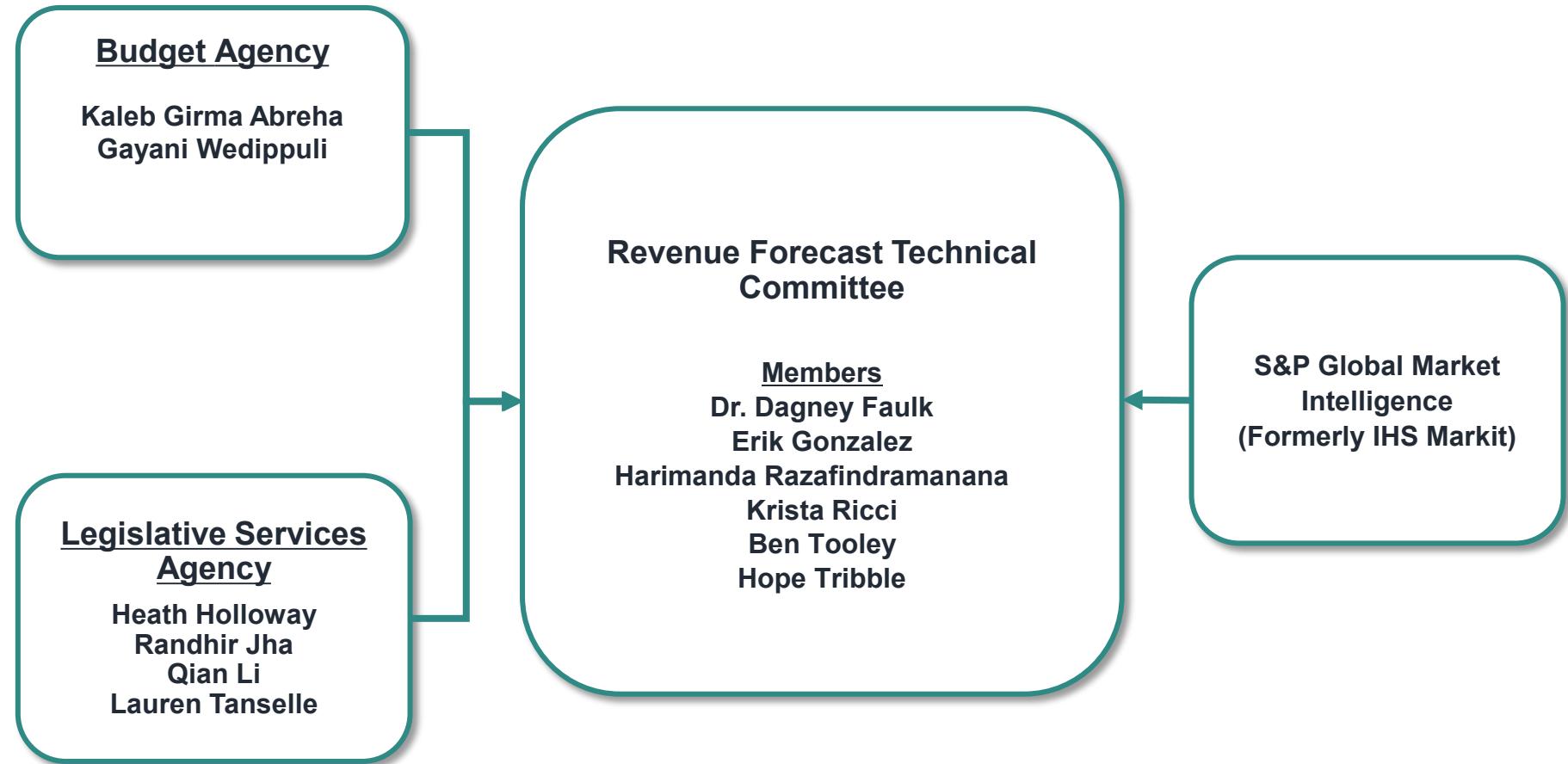


# General Fund Revenue Forecast

**Fiscal Years 2025, 2026 and 2027  
Revenue Forecast Technical Committee**

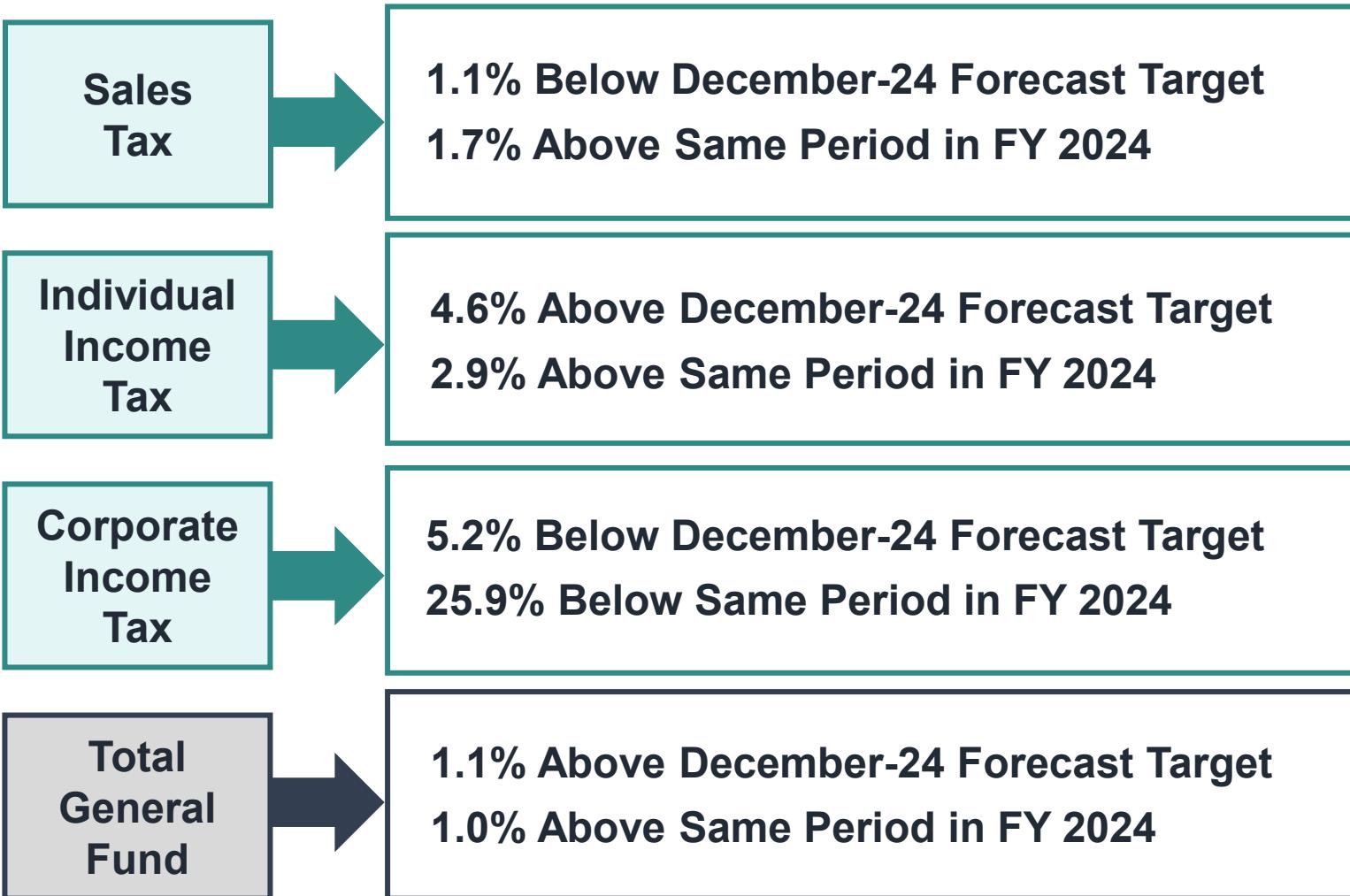
**Presented to the State Budget Committee  
April 16, 2025**

# Indiana Revenue Forecast



# Performance of Major Revenue Sources

## Year-To-Date Through March 31<sup>st</sup> FY 2025



# Revenue Estimators

## Sales Tax

Sales & Use Tax	
Indiana Personal Income Net of Transfer Payments Per Household	
Prior Fiscal Year Home Sales	Two-Year Moving Average Prior Fiscal Year Personal Savings
U.S. Household Financial Obligation Ratio	
Ind Household Net Worth per Household	

## Individual Income Tax

Withholdings	
Indiana Adjusted Wages & Salaries	
Prior Year Births	Prior Year Withholding
Estimated Payment & Others	
U.S. Dividend Payment & Personal Interest Income	
Change in Prior Calendar Year S&P 500 Index	Prior Year Estimated Payments & Other

## Corporate Income Tax

Corporate Adjusted Gross Income
GSP, Trade, Transp.& Utilities
Two-Year Moving Average S&P 500 Index
Indiana GSP / U.S. GDP

# Economic Forecast Overview



Upward revisions from September through December 2024 across key income indicators have been adjusted downward by S&P Global Market Intelligence.



While the broad economy is projected to continue to grow, growth projections for employment, wages and personal income have been revised downward from December 2024.



The combination of economic performance through the first quarter of 2025 and expectations of federal policy actions drive the outlook through the biennium.



During this biennium, the unemployment rate is estimated to rise close to 4.98% by mid-2027.

# April 2025 Forecast Results

# Total Tax Revenue Estimates

## April 16, 2025, Revenue Forecast

Sales Tax (Millions \$)						
Fiscal Year	Dec-24 Forecast	April-25 Forecast	Growth Over Prior Year		Difference Dec-24 Forecast to April-25	
2025	10,737.2	10,547.8	177.9	1.7%	-189.4	-1.8%
2026	11,092.6	10,821.9	274.2	2.6%	-270.6	-2.4%
2027	11,586.4	11,203.3	381.4	3.5%	-383.1	-3.3%
Individual Income Tax (Millions \$)						
Fiscal Year	Dec-24 Forecast	April-25 Forecast	Growth Over Prior Year		Difference Dec-24 Forecast to April-25	
2025	8,662.4	8,462.2	366.0	4.5%	-200.2	-2.3%
2026	8,861.5	8,313.2	-149.0	-1.8%	-548.3	-6.2%
2027	8,540.9	8,093.5	-219.8	-2.6%	-447.4	-5.2%
Corporate Income Tax (Millions \$)						
Fiscal Year	Dec-24 Forecast	April-25 Forecast	Growth Over Prior Year		Difference Dec-24 Forecast to April-25	
2025	1,069.3	1,035.2	70.0	7.3%	-34.2	-3.2%
2026	1,304.2	1,172.5	137.4	13.3%	-131.7	-10.1%
2027	1,228.8	1,065.6	-107.0	-9.1%	-163.2	-13.3%

# Total Tax Revenue Estimates

## April 16, 2025, Revenue Forecast

Gaming Taxes (Millions \$)						
Fiscal Year	Dec-24 Forecast	April-25 Forecast	Growth Over Prior Year		Difference Dec-24 Forecast to April-25	
2025	460.2	470.7	10.6	2.3%	10.5	2.3%
2026	485.0	470.6	-0.1	0.0%	-14.4	-3.0%
2027	486.5	470.7	0.1	0.0%	-15.8	-3.2%
Other Taxes (Includes MVET/CVET Recapture) (Millions \$)						
Fiscal Year	Dec-24 Forecast	April-25 Forecast	Growth Over Prior Year		Difference Dec-24 Forecast to April-25	
2025	1,531.4	1,541.6	-51.7	-3.2%	10.2	0.7%
2026	1,449.1	1,450.2	-91.5	-5.9%	1.0	0.1%
2027	1,421.2	1,425.6	-24.5	-1.7%	4.4	0.3%
Total General Fund Taxes (Millions \$)						
Fiscal Year	Dec-24 Forecast	April-25 Forecast	Growth Over Prior Year		Difference Dec-24 Forecast to April-25	
2025	22,460.5	22,057.5	572.8	2.7%	-403.0	-1.8%
2026	23,192.4	22,228.4	171.0	0.8%	-963.9	-4.2%
2027	23,263.8	22,258.6	30.2	0.1%	-1,005.2	-4.3%

# Total General Fund Revenue Forecast

Fiscal Years 2025, 2026 and 2027

April 16, 2025 (in millions)

	FY 2022	FY 2023	FY 2024		FY 2025					FY 2026					FY 2027				
	Actual	Actual	Actual	Year over Year Growth	Dec 2024 Forecast	Updated Forecast	Year over Year Growth	\$ Diff vs Prior Forecast	% Diff vs Prior Forecast	Dec 2024 Forecast	Updated Forecast	Year over Year Growth	\$ Diff vs Prior Forecast	% Diff vs Prior Forecast	Dec 2024 Forecast	Updated Forecast	Year over Year Growth	\$ Diff vs Prior Forecast	% Diff vs Prior Forecast
	2022	2023	2024	2024	2025	2025	2025	2025	2025	2026	2026	2026	2026	2026	2027	2027	2027	2027	2027
<b>Major Taxes</b>																			
Sales & Use	9,991.0	10,464.7	10,369.9	-0.9%	10,737.2	10,547.8	1.7%	-189.4	-1.8%	11,092.6	10,821.9	2.6%	-270.6	-2.4%	11,586.4	11,203.3	3.5%	-383.1	-3.3%
Individual Income	8,181.2	7,575.7	8,096.1	6.9%	8,662.4	8,462.2	4.5%	-200.2	-2.3%	8,861.5	8,313.2	-1.8%	-548.3	-6.2%	8,540.9	8,093.5	-2.6%	-447.4	-5.2%
Corporate - AGI, URT, USUT, FIT	1,539.5	1,230.6	965.1	-21.6%	1069.3	1,035.2	7.3%	-34.2	-3.2%	1304.2	1,172.5	13.3%	-131.7	-10.1%	1228.8	1,065.6	-9.1%	-163.2	-13.3%
Riverboat Wagering	311.2	348.8	315.3	-9.6%	316.0	324.9	3.0%	8.9	2.8%	338.7	324.7	-0.1%	-14.0	-4.1%	338.6	323.7	-0.3%	-14.9	-4.4%
Racino Wagering	141.1	139.8	134.5	-3.8%	134.4	135.9	1.1%	1.5	1.1%	136.5	136.2	0.2%	-0.3	-0.2%	138.2	137.3	0.8%	-0.9	-0.7%
<b>Subtotal Major Taxes</b>	<b>20,164.1</b>	<b>19,759.6</b>	<b>19,881.0</b>	<b>0.6%</b>	<b>20,919.3</b>	<b>20,505.9</b>	<b>3.1%</b>	<b>-413.3</b>	<b>-2.0%</b>	<b>21,733.5</b>	<b>20,768.6</b>	<b>1.3%</b>	<b>-964.9</b>	<b>-4.4%</b>	<b>21,832.9</b>	<b>20,823.3</b>	<b>0.3%</b>	<b>-1,009.6</b>	<b>-4.6%</b>
<b>Other Revenue</b>																			
Cigarette	221.4	217.4	199.1	-8.4%	191.3	191.0	-4.0%	-0.3	-0.1%	184.0	183.6	-3.9%	-0.4	-0.2%	177.7	177.5	-3.4%	-0.2	-0.1%
Insurance	251.9	261.8	266.4	1.7%	266.2	296.2	11.2%	29.9	11.2%	272.3	300.0	1.3%	27.7	10.2%	278.5	303.9	1.3%	25.4	9.1%
Inheritance	0.0	0.1	0.0	-99.7%	0.0	0.0	-100.0%	0.0	N/A	0.0	0.0	N/A	0.0	N/A	0.0	0.0	N/A	0.0	N/A
Alcoholic Beverages	21.1	23.1	10.7	-53.5%	11.8	11.3	4.9%	-0.5	-4.6%	12.0	11.3	0.5%	-0.7	-5.8%	12.4	11.2	-0.6%	-1.2	-9.3%
Riverboat Supplemental Wagering Tax	7.8	11.5	10.3	-10.9%	9.8	9.9	-3.6%	0.1	1.0%	9.8	9.7	-2.0%	-0.1	-1.0%	9.7	9.7	0.0%	0.0	0.0%
Interest	33.9	287.2	572.3	99.3%	508.3	488.2	-14.7%	-20.1	-4.0%	414.0	387.2	-20.7%	-26.8	-6.5%	364.0	343.2	-11.4%	-20.8	-5.7%
Motor & Commercial Vehicle Excise	288.5	284.1	277.8	-2.2%	285.0	285.0	2.6%	0.0	0.0%	286.3	286.3	0.4%	0.0	0.0%	291.9	291.9	2.0%	0.0	0.0%
Miscellaneous Revenue	202.0	213.3	267.1	25.2%	268.7	269.9	1.1%	1.2	0.4%	280.5	281.7	4.4%	1.2	0.4%	296.7	297.9	5.7%	1.2	0.4%
<b>Subtotal Other Revenue</b>	<b>1,026.6</b>	<b>1,298.6</b>	<b>1,603.6</b>	<b>23.5%</b>	<b>1,541.2</b>	<b>1,551.5</b>	<b>-3.2%</b>	<b>10.3</b>	<b>0.7%</b>	<b>1,458.9</b>	<b>1,459.9</b>	<b>-5.9%</b>	<b>0.9</b>	<b>0.1%</b>	<b>1,430.9</b>	<b>1,435.3</b>	<b>-1.7%</b>	<b>4.4</b>	<b>0.3%</b>
<b>Total General Fund</b>	<b>21,190.7</b>	<b>21,058.2</b>	<b>21,484.6</b>	<b>2.0%</b>	<b>22,460.5</b>	<b>22,057.5</b>	<b>2.7%</b>	<b>-403.0</b>	<b>-1.8%</b>	<b>23,192.4</b>	<b>22,228.4</b>	<b>0.8%</b>	<b>-963.9</b>	<b>-4.2%</b>	<b>23,263.8</b>	<b>22,258.6</b>	<b>0.1%</b>	<b>-1,005.2</b>	<b>-4.3%</b>

# Appendices for April 2025 Revenue Forecast

# Legislative Aspects Incorporated

## Fiscal Impact from 2024 Session

- Economic Nexus (removed 200 transaction threshold).
- Utility sales tax exemption for restaurants equal to 50% of the sales tax imposed on electricity.

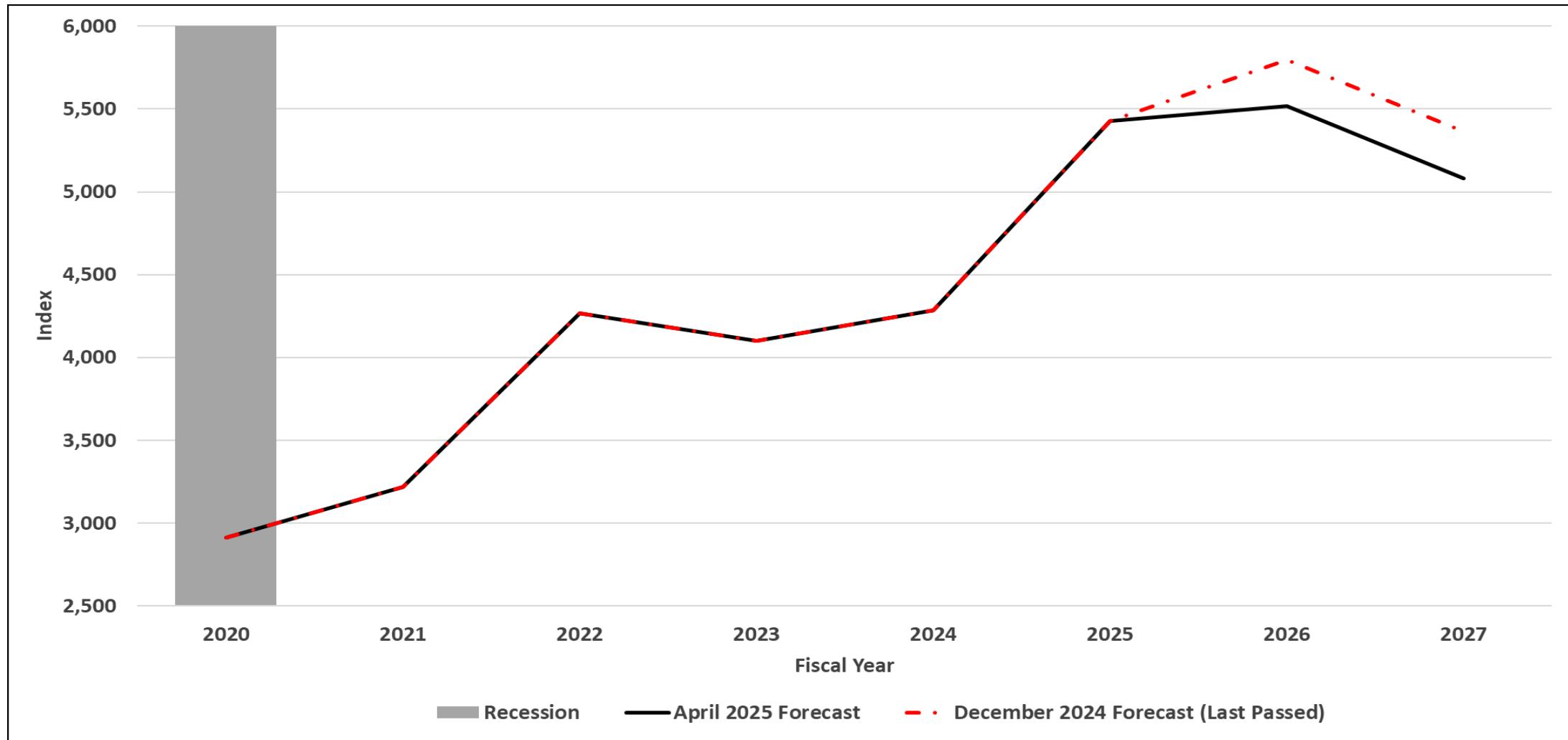
## Individual Income Tax Rate Reduction

- 3.23% in CY 2022
- 3.15% in CY 2023
- 3.05% in CY 2024
- 3.00% in CY 2025
- 2.95% in CY 2026
- 2.90% in CY 2027

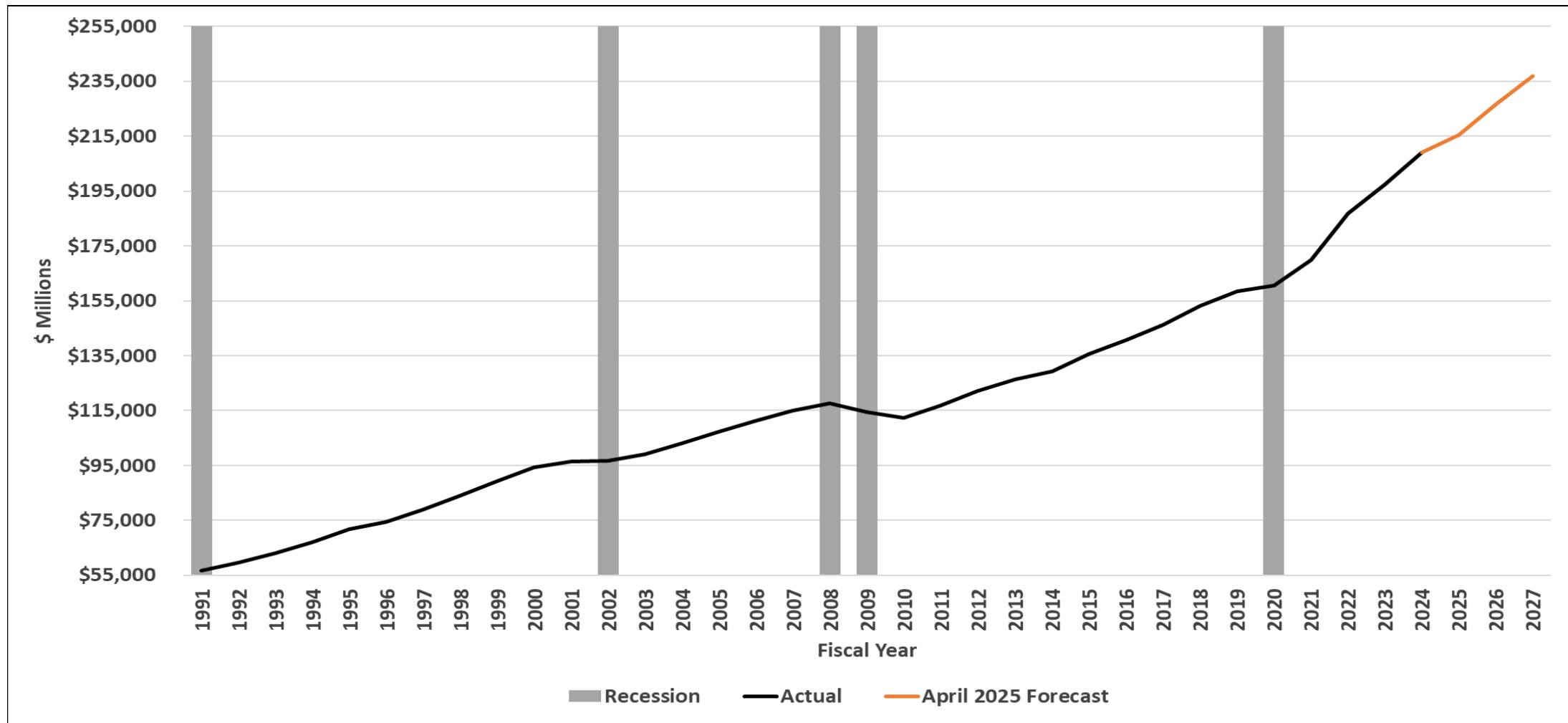
## Timing related to Pass Through Entity Tax Implementation

- Taxpayers adjust to changes in timing and flow of tax payments.

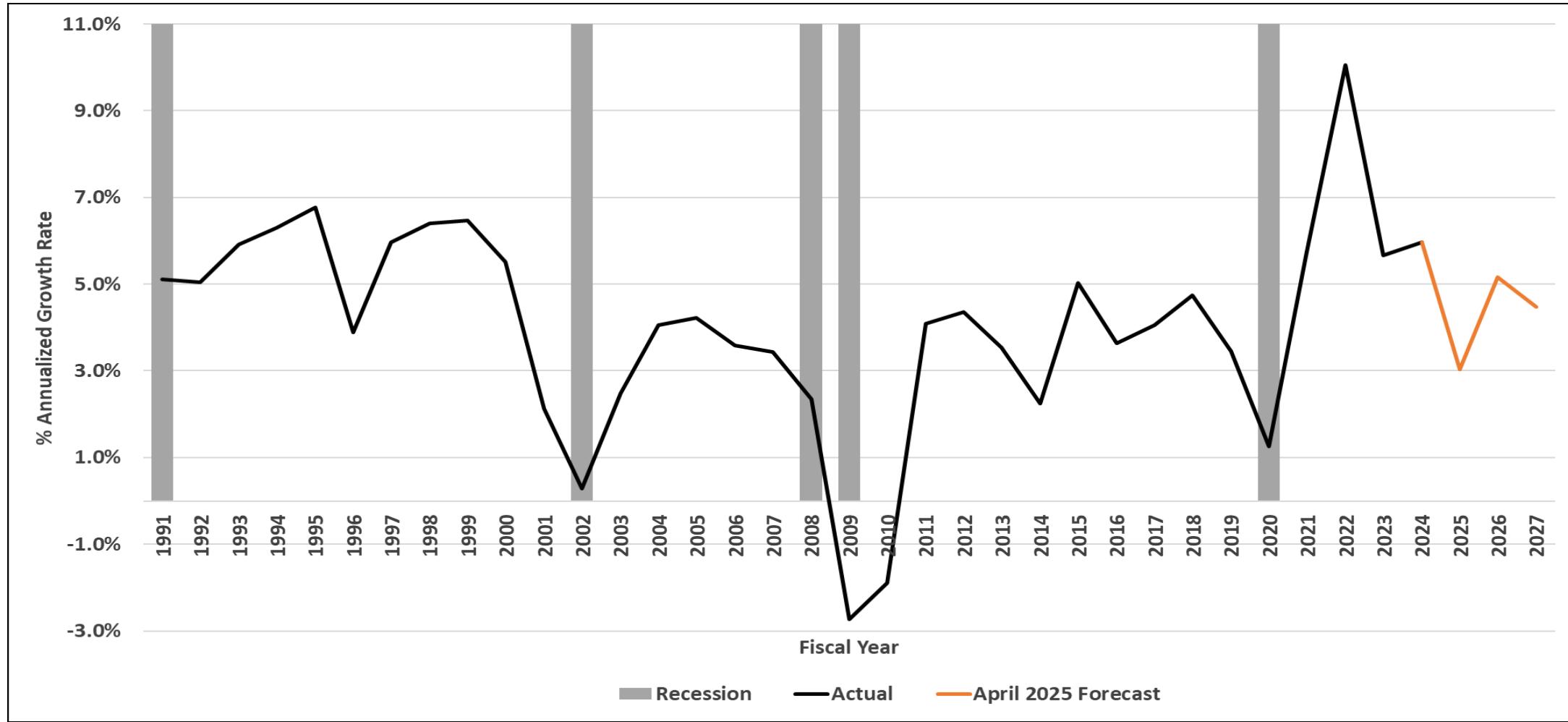
# Prior Calendar Year S&P 500 Index of Common Stocks



# Indiana Wages & Salary

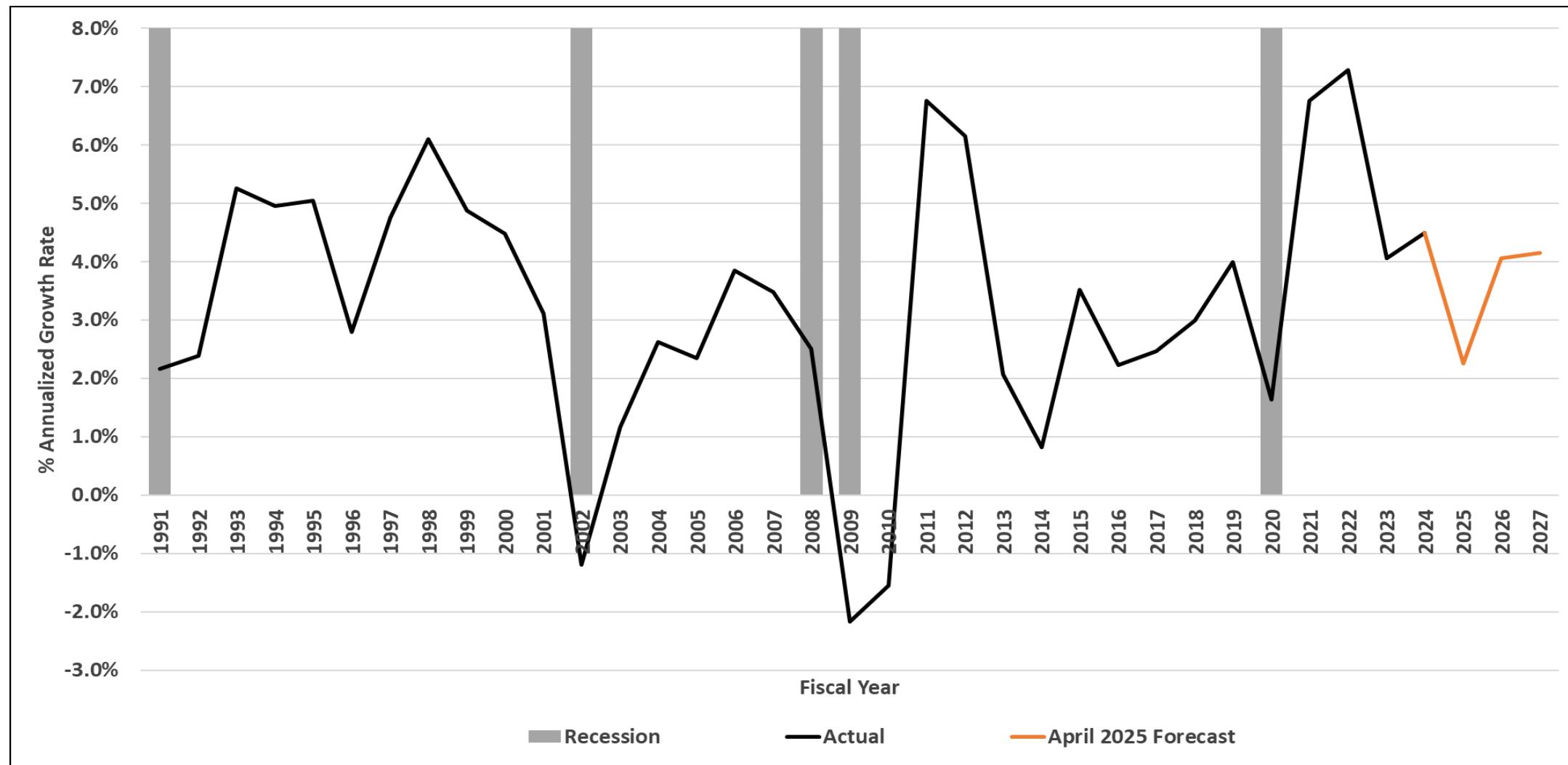


# Indiana Wages & Salary Growth over Prior Year

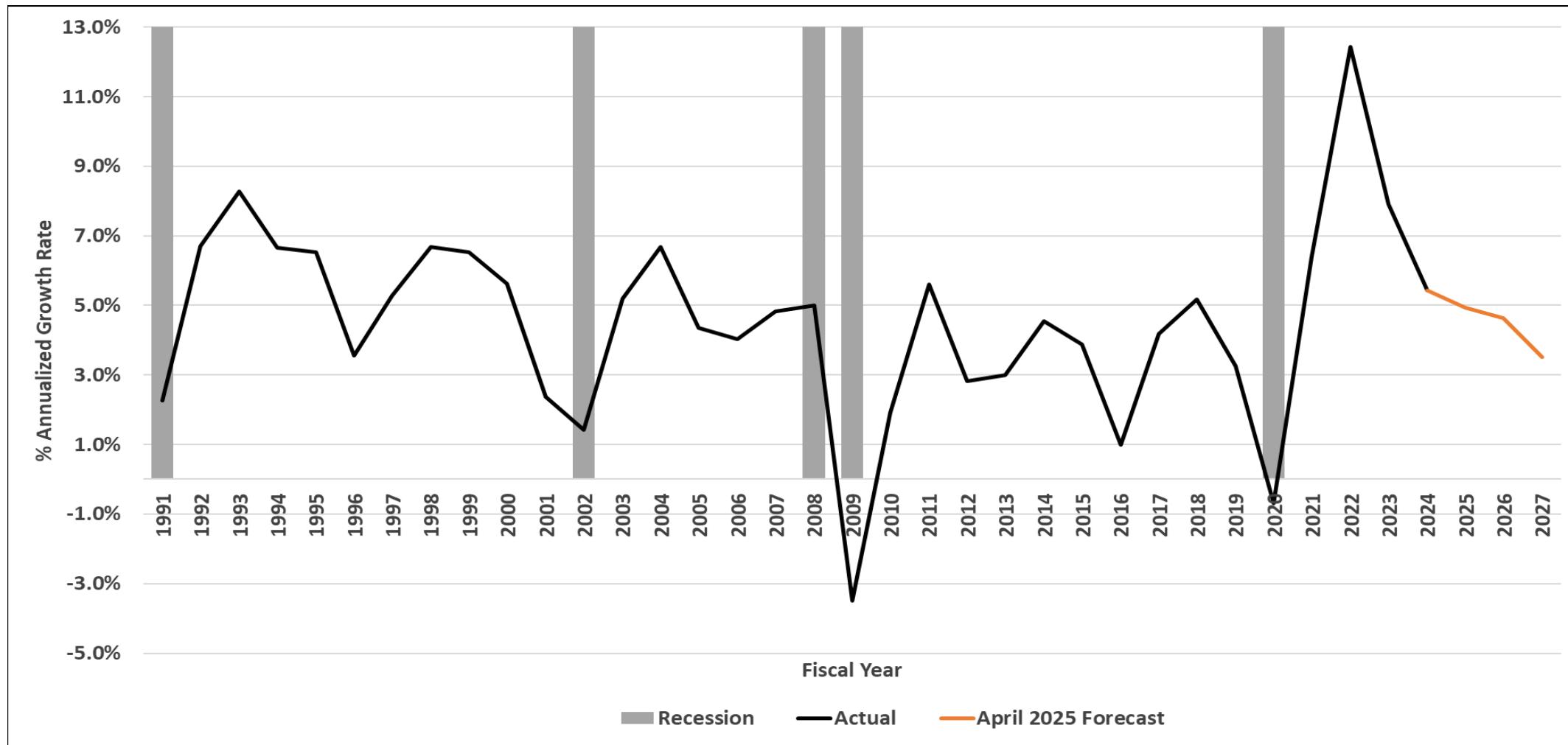


Source: Bureau of Economic Analysis and S&P Global Market Intelligence

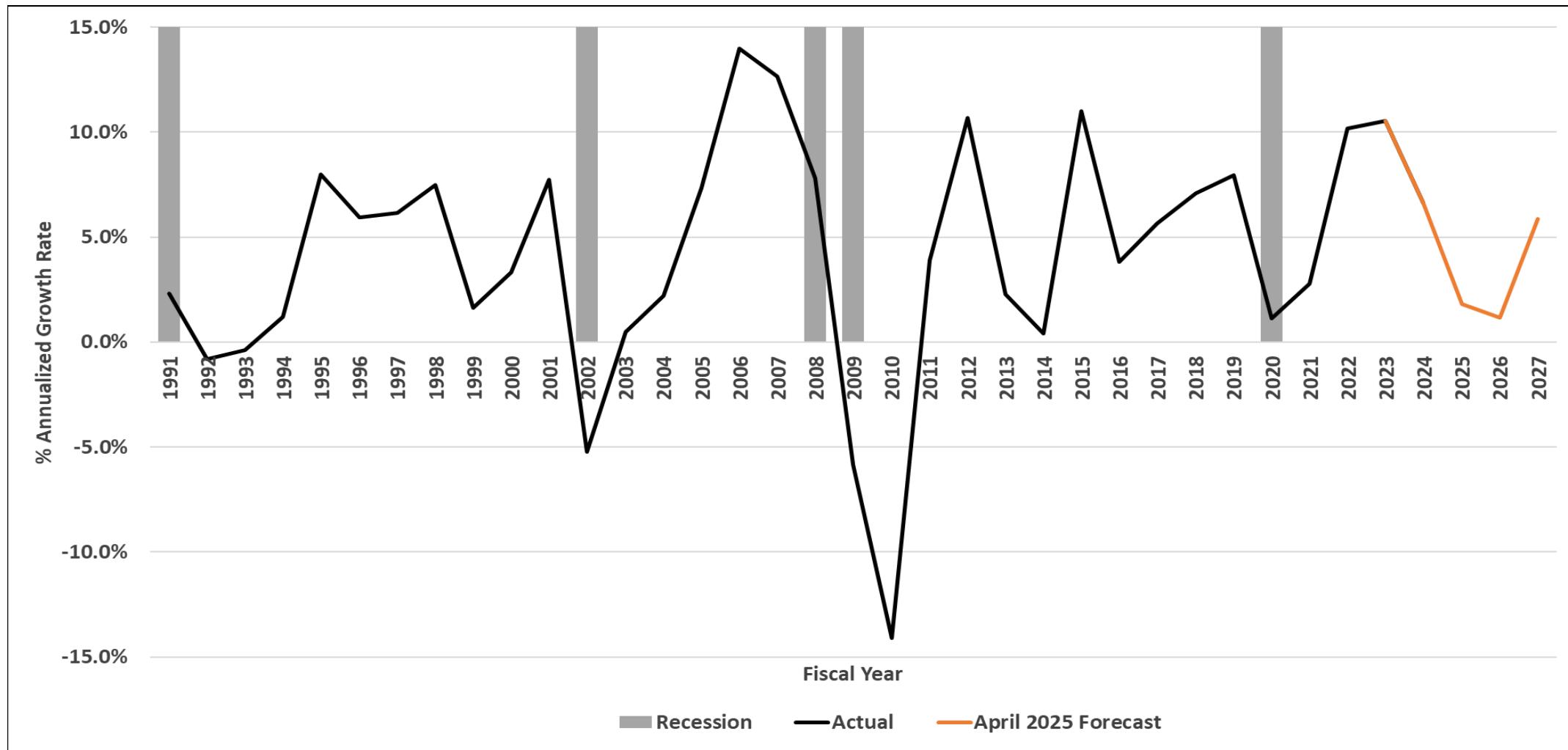
# Indiana Personal Income Net of Transfer Payments Per Household - Growth over Prior Year



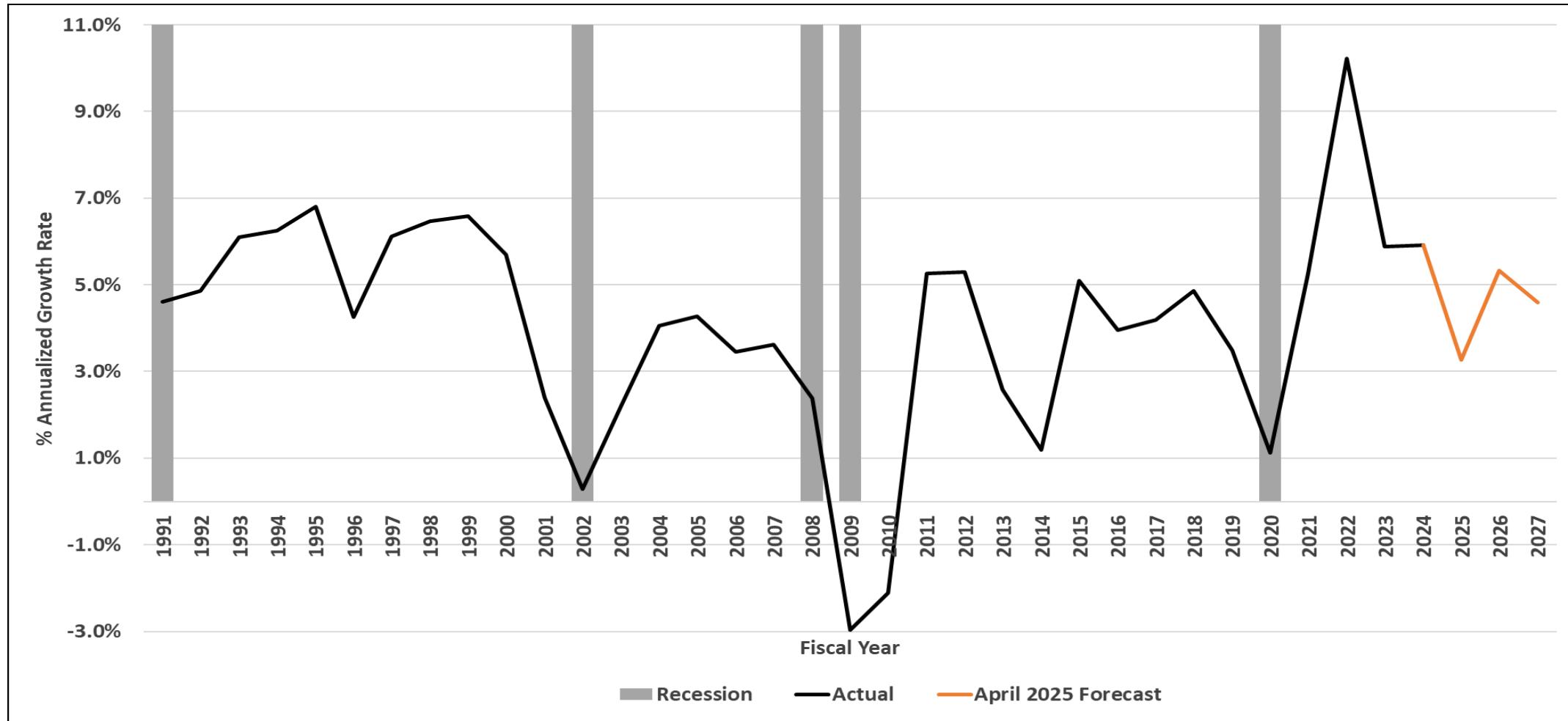
# Indiana Gross State Product Growth over Prior Year



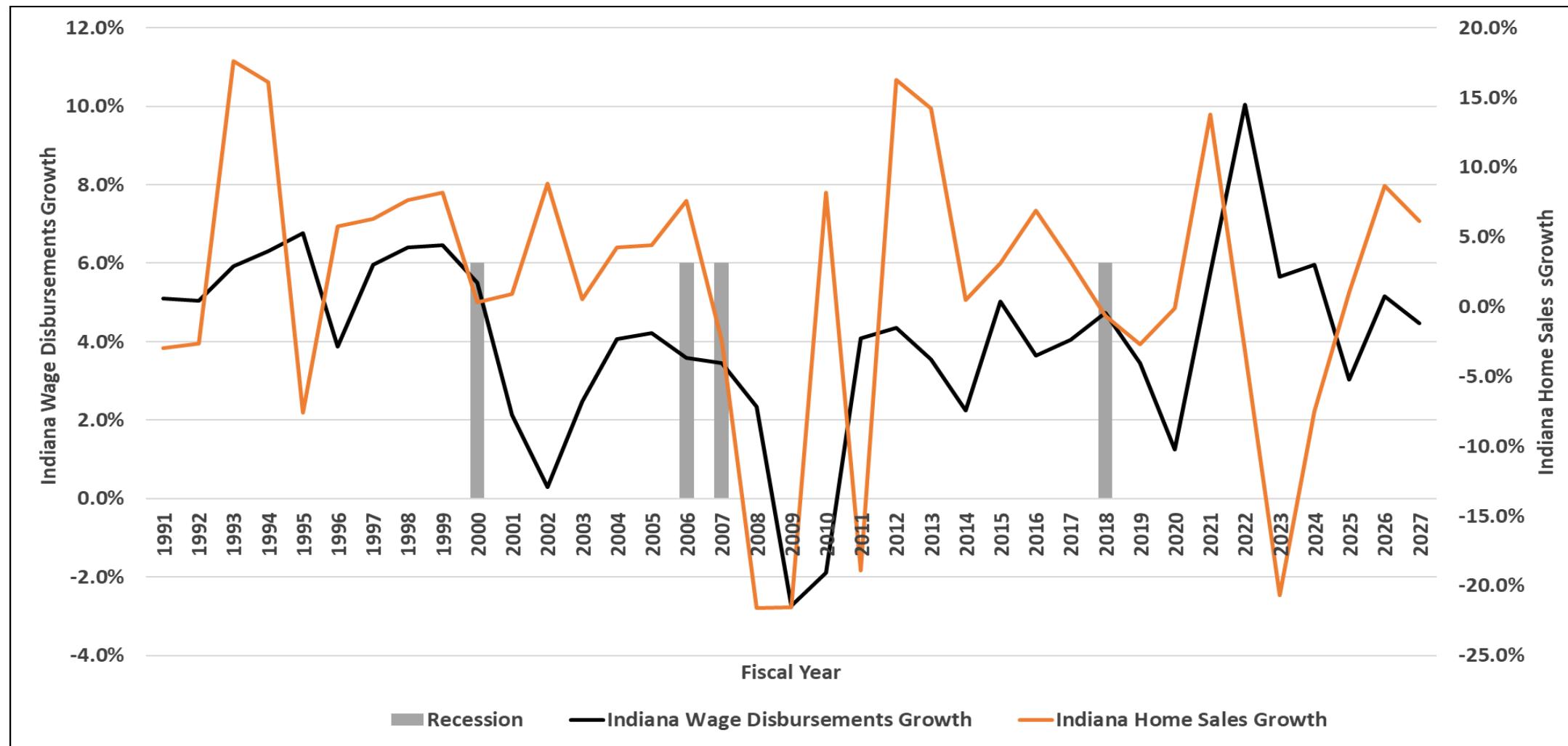
# U.S. Dividend Payment and Interest Income Growth over Prior Year



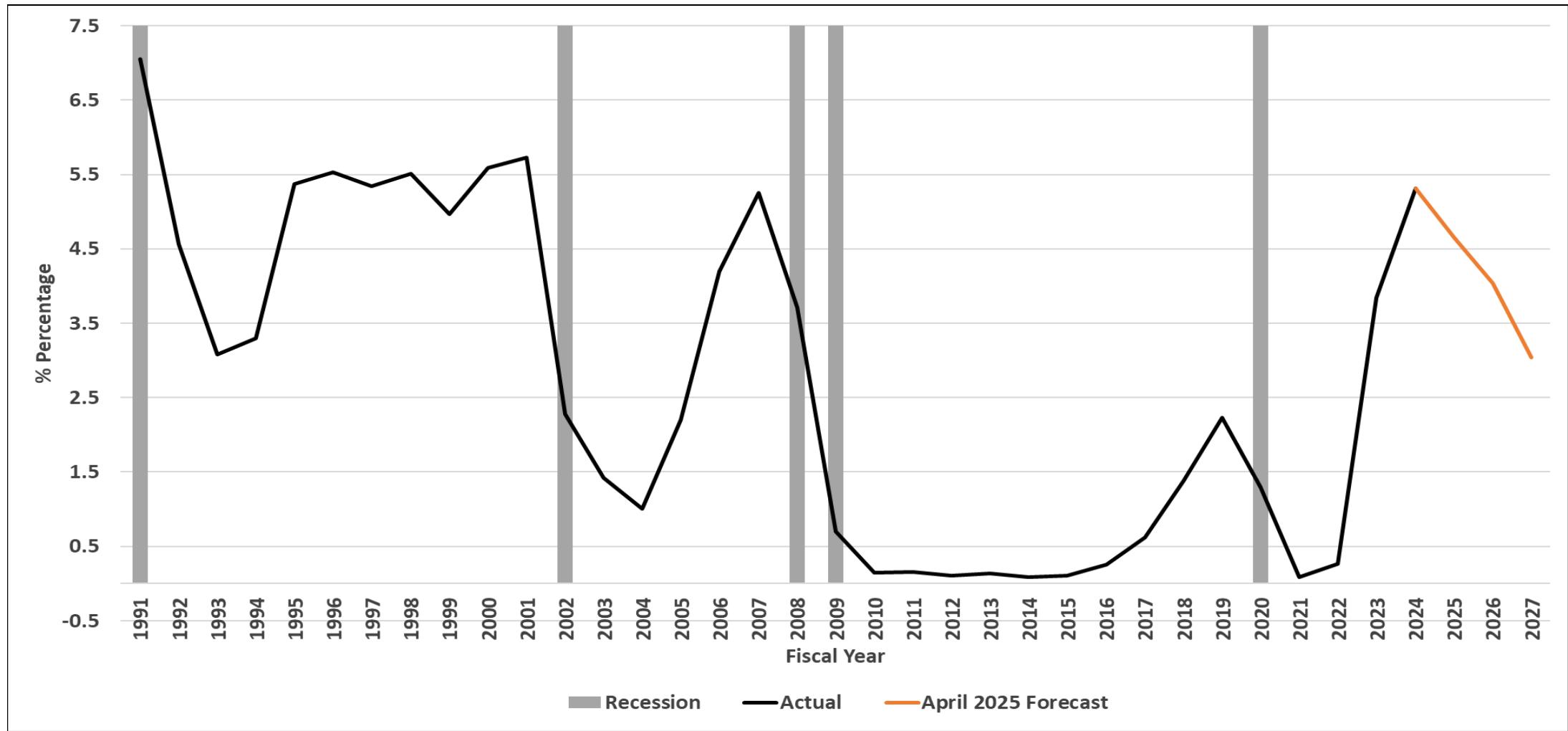
# Adjusted Wages and Salaries Growth over Prior Year



# Indiana Wage Disbursements and Home Sales Growth over Prior Year

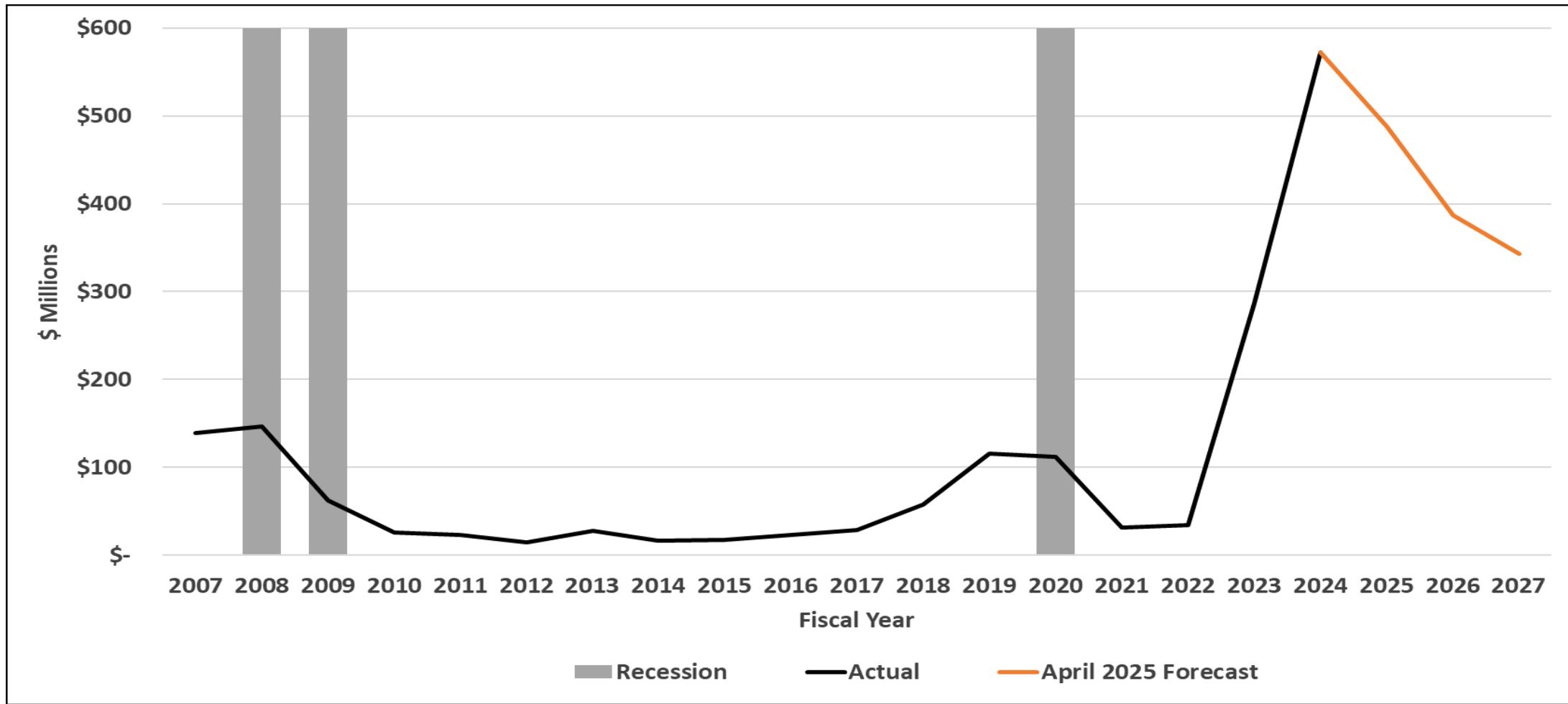


# Effective rate on federal funds



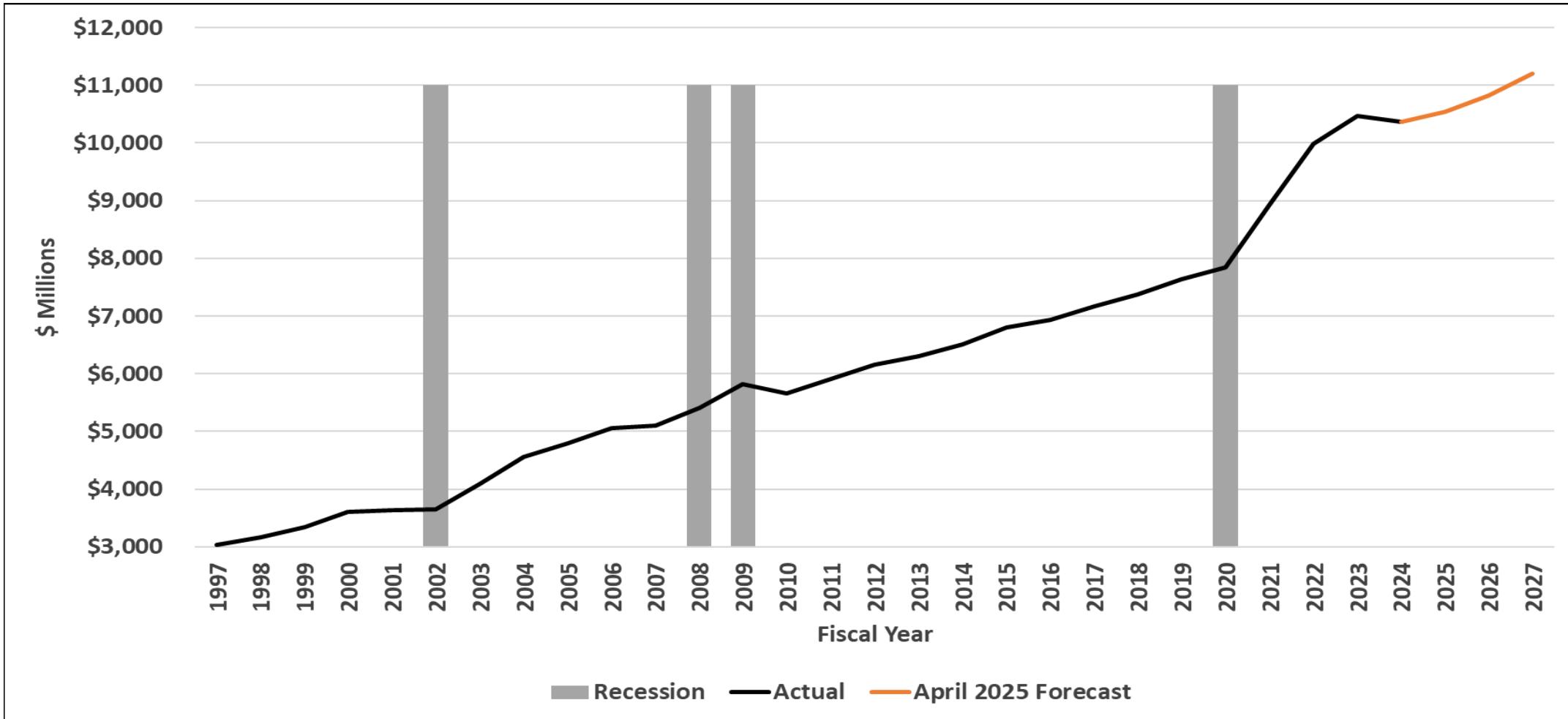
# Revenue Trend and Forecast

## Interest Revenue



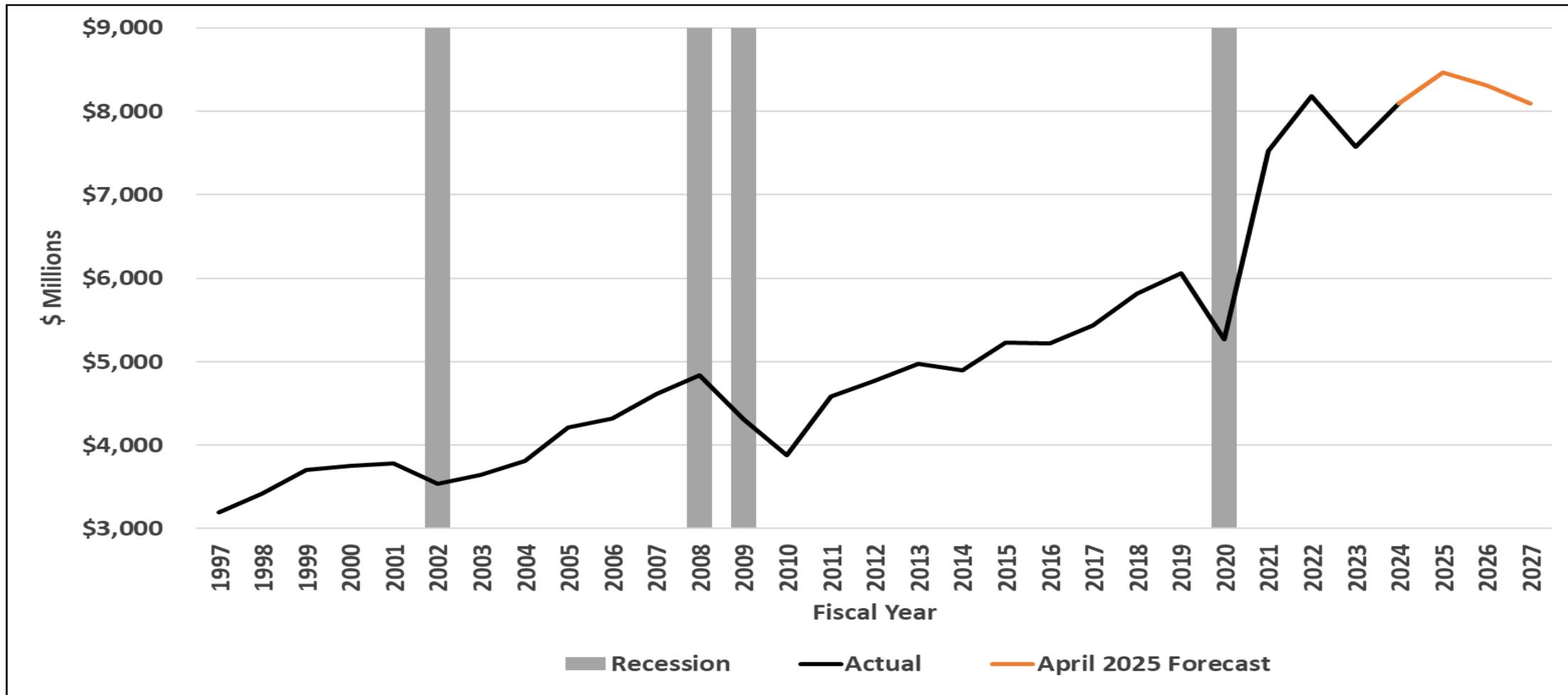
# Revenue Trend and Forecast

## Adjusted Sales Net of GUT Tax

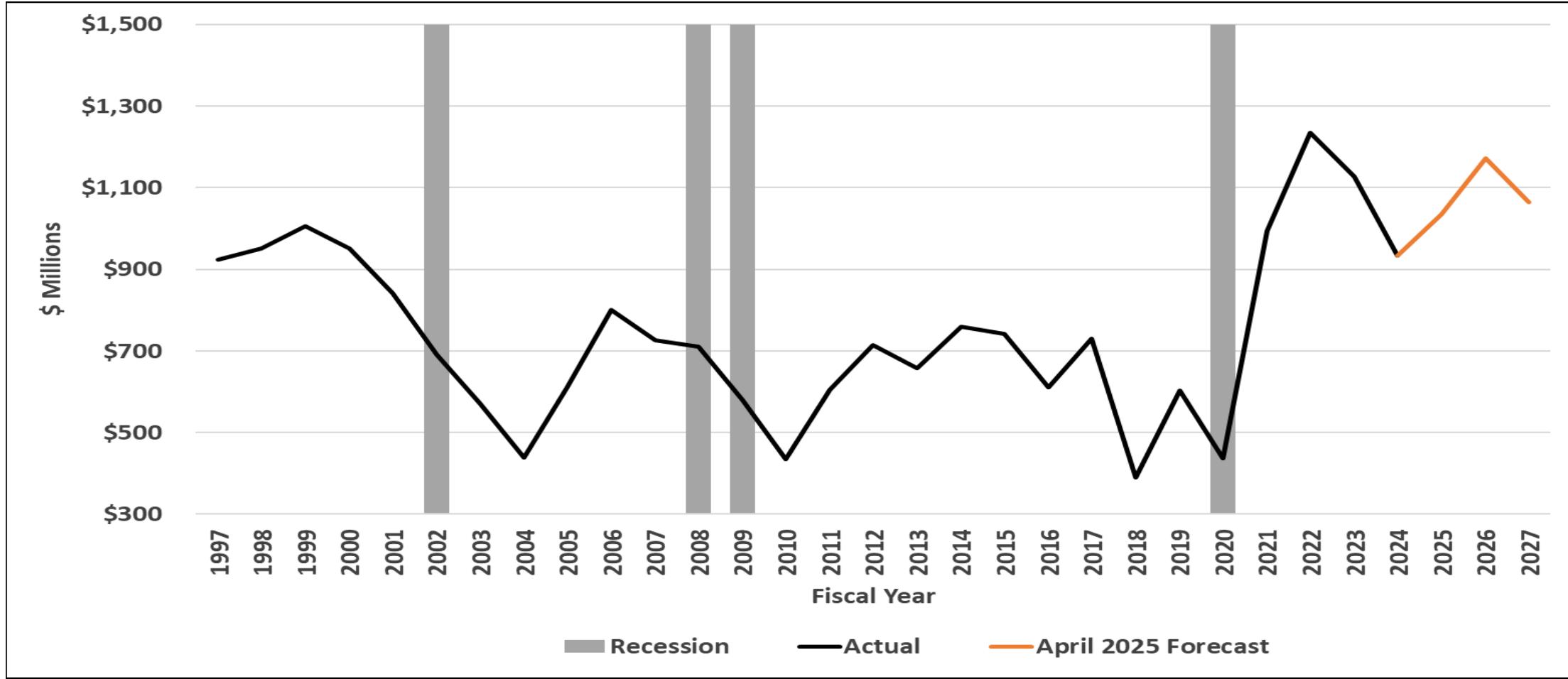


# Revenue Trend and Forecast

## Adjusted Individual Income Tax



# Revenue Trend and Forecast – Adjusted Corporate Income Tax



# Revenue Trend and Forecast

## Total General Fund

