

LBO BUDGET FOOTNOTES INFOGRAPHIC

Click [here](#) for the full edition of Budget Footnotes

Volume: Fiscal Year 2025

Issue: March 2025

- ◆ GRF tax revenues were below estimate by \$93.9 million (4.2%) in February, driven partially by a negative monthly variance of \$53.6 million (9.4%) in the commercial activity tax (CAT), that partially offset the CAT's positive monthly variance of \$76.8 million in January. The personal income tax (PIT) also came in under estimate (\$20.6 million, 5.4%) for the month. A small positive variance in the sales and use tax (\$5.8 million, 0.6%) did little to offset these negative monthly variances.
- ◆ For the year-to-date (YTD), all three of these major GRF taxes were above estimate — the PIT by \$273.2 million (4.3%), the CAT by \$50.1 million (2.8%), and the sales and use tax by \$564.6 million (6.5%). Total GRF tax revenues were above the YTD estimate by \$891.9 million (4.9%).
- ◆ A large portion of the YTD positive variance in the sales and use tax and total taxes is due to the August sales tax holiday having a smaller effect than had been anticipated. This positive variance is mostly offset by a corresponding negative variance in the transfers in from the Expanded Sales Tax Holiday Fund that were made to reimburse the GRF for the tax loss from the holiday. Transfers in had a YTD negative variance of \$454.6 million (77.8%).
- ◆ Federal grants into the GRF were \$279.7 million (2.8%) below their YTD estimate, further offsetting the positive YTD variance in GRF tax revenues. Total GRF sources ended the month with a positive YTD variance of \$227.1 million (0.8%).
- ◆ YTD GRF program expenditures were under estimate at the end of February by \$645.7 million (2.1%), partly driven by a negative variance in GRF Medicaid expenditures of \$420.1 million (2.7%).
- ◆ Non-GRF Medicaid spending had a negative YTD variance of \$251.2 million (1.9%) resulting in a negative YTD variance of \$671.3 million (2.3%) in all funds Medicaid expenditures.

GRF & Medicaid Variances – Actual vs. Estimate

Tax revenue

-\$93.9 million
-4.2% ↓

Federal grants

\$74.7 million
12.6% ↑

Total GRF sources

\$0.7 million
0.0% ↑

Program expenditures

\$79.1 million
3.0% ↑

Month of February

Total GRF uses

\$80.8 million
3.0% ↑

GRF Medicaid

\$64.5 million
6.5% ↑

Non-GRF Medicaid

\$13.5 million
0.6% ↑

All funds Medicaid

\$78.0 million
2.5% ↑

Tax revenue

\$891.9 million
4.9% ↑

Federal grants

-\$279.7 million
-2.8% ↓

Total GRF sources

\$227.1 million
0.8% ↑

Program expenditures

-\$645.7 million
-2.1% ↓

YTD through February

Total GRF uses

-\$642.1 million
-2.1% ↓

GRF Medicaid

-\$420.1 million
-2.7% ↓

Non-GRF Medicaid

-\$251.2 million
-1.9% ↓

All funds Medicaid

-\$671.3 million
-2.3% ↓