



News Release

Board of Revenue Estimates Approves Revised FY 2026 Forecast, Initial Forecast for FY 2027

Slight revenue write-down driven by federal tax policy change; Maryland continues to brace for impacts from federal workforce, funding reductions

ANNAPOLIS, Md. (September 25, 2025) – The Maryland Board of Revenue Estimates (BRE) today voted to write down state revenue projections for Fiscal Year 2026 (FY 26) to **\$26.7 billion**, an increase of 3.7% over Fiscal Year 2025 (FY 25) actual revenue. The approved forecast **reduces** revenues by **\$19.1 million** during FY 26 compared with the previous estimate. Overall, the forecast remains relatively unchanged from the March projections. The forecast also projected revenues of **\$27.1 billion** during Fiscal Year 2027 (FY 27).

The revised general forecast for FY 26 is **0.07%** lower than the March estimate approved by the Board.

The revenue changes are driven primarily by tax policy changes at the state and federal levels, including provisions created or expanded by the “One Big Beautiful Bill” passed by Congress earlier this year.

Earlier this month, the [60-Day Report produced by the Bureau of Revenue Estimates](#) identified provisions that would affect personal and corporate income tax revenues in excess of \$5 million, and detailed expected revenue reductions of \$117.9 million during Fiscal Year 2026 and \$71.4 million during Fiscal Year 2027.

Comptroller Brooke E. Lierman, who chairs the Board, noted that recent workforce and spending reductions at the federal level did not significantly impact revenues for FY 2025 as detailed in the [FY 25 Closeout Report](#). However, she cautioned that changes in the revenue picture could materialize once legal challenges are resolved and unemployment benefits run out.

“Economists and policymakers are presented with multiple moving parts and many points of uncertainty as they prepare for another potentially difficult budget cycle,” Comptroller Lierman said. “What we’re seeing in the economic data hasn’t fully

materialized in our tax collections yet. But [...] it will take time to fully understand how the Trump Administration's policy changes will reshape Maryland's revenue landscape."

Bureau of Revenue Estimates Director Robert Rehmann shared that Maryland has lost an estimated 15,000 federal jobs since the beginning of 2025 at a rate of 2,500 jobs per month, for five of the last six months. He highlighted the uncertainty around the number of Marylanders who would no longer be employed by the federal government after September 30 due to voluntary separation and early retirement programs. He also emphasized the need for federal job and spending reductions to stabilize for more accurate economic forecasts.

"This is a critical step we need to assess. Similar to the tax law changes, we hope we know in December, but it may not be until March that we can assess what impact this has had on withholding tax revenues," Rehmann said.

Comptroller Lierman also addressed broader economic challenges, including the headwinds of tariffs, inflation, immigration policies, and a potential federal government shutdown, which would create more uncertainty for the state and Maryland families.

"Marylanders are feeling the squeeze. They're paying more and getting less. Purchasing power is eroding under the weight of inflation and the economic consequences of President Trump's tariff policies," Comptroller Lierman shared. "Tariffs may not have as detrimental effect on our overall economy as they do in other states at present, but I think from coffee to clothes, prices are rising and Marylanders are feeling that, and there is therefore a question of when and if we will see that reflected in our sales tax revenues."

The forecasts approved by the BRE reflect revenue sources contributing to Maryland's General Fund, including personal income, corporate, and sales and use taxes. The BRE's forecast is based on the most up-to-date information, including year-to-date revenue data, projections from national economic consulting firms, and econometric models. Materials from the Board of Revenue Estimates' meeting can be found at <https://mdbre.gov/revenue-estimates.php>.

The next meeting of the Board of Revenue Estimates is scheduled for **December 12, 2025, at 2:00 p.m.**

The members of the Board of Revenue Estimates are: Comptroller Brooke E. Lierman, Chair; Treasurer Dereck E. Davis; Department of Budget and Management Secretary Helene T. Grady; Bureau of Revenue Estimates Director Robert J. Rehmann, Executive Secretary.

###

Media Contacts

Robyne McCullough
rmccullough@marylandtaxes.gov
410-980-0139 (cell)

Barbara Sauers
bsauers@marylandtaxes.gov
410-212-9414 (cell)

Comptroller of Maryland, 80 Calvert Street, Annapolis, Maryland 21401, United States