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

Glen M. Lee
Chief Financial Officer

September 30, 2026

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 2026 Revenue Estimates

Dear Mayor Bowser and Chairman Mendelson:

This letter certifies the revenue estimate for the FY 2026–2030 District of Columbia Budget and Financial Plan. FY 2026 local source revenue has been revised upward by $205.5 million, driven primarily by higher-than-expected collections for income and sales taxes as well as non-tax revenue sources. The forecast for FY 2027 through FY 2030 is revised downward, primarily due to sharply slower growth in corporate franchise tax revenue and weakening local economic conditions, particularly lower employment and wage growth. The table below compares the September 2026 estimate with the February 2026 estimate and also shows the revenue impact of legislative changes included in the FY 2027 Budget Support Act.

September 2026 Revenue Estimate Compared to Previous Estimate

	Actual	Estimated	Projected			
Local Source, General Fund Revenue Estimate ($M)	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**
February 2026 Revenue Estimate	**11,088.7**	**10,815.9**	**11,094.6**	**11,461.5**	**11,832.7**	**12,219.9**
FY 2027 Budget Support Act Revenue		*279.9*	*102.1*	*199.2*	*151.4*	*179.9*
September revision to the estimate		*205.5*	*-154.9*	*-144.1*	*-205.3*	*-231.7*
September 2026 Revenue Estimate	**11,088.7**	**11,301.3**	**11,041.8**	**11,516.7**	**11,778.8**	**12,168.1**
Revenue Change From Previous Year						
Amount	864.8	212.6	(259.5)	474.9	262.1	389.3
Year-Over-Year Percent Change	*8.5%*	*1.9%*	*-2.3%*	*4.3%*	*2.3%*	*3.3%*

The local economy continues to lag national trends in employment, income, and population. Total employment in the District has declined significantly, reflecting the downsizing of the federal workforce that began in January 2025, and was accompanied by broad weakness in private-sector

employment. The District's unemployment rate has fallen slightly, but this improvement stems largely from a shrinking labor force rather than from gains in job opportunities. Housing activity continues to weaken amid higher interest rates, and office vacancy rates have further climbed, especially in the central business district.

Despite the weakened local economy, stronger-than-expected year-to-date revenue collections for FY 2026 result in a modest upward revision to local fund revenue for FY 2026. Local revenue is now expected to exceed the FY 2025 level by approximately $212.6 million, driven largely by policy actions in the FY 2027 budget and stronger-than-expected collections from income and sales taxes, as well as one-time increases in some non-tax sources. Non-withholding individual income tax collections significantly outperformed baseline expectations during the April filing season, driven by substantial capital gains realizations from last year's strong equity market performance. A large share of this year's non-withholding gains is not forecasted to continue into FY 2027, due to the high volatility of this revenue source.

As noted previously, the downward revision to revenues in FY 2027–FY 2030 reflects a sharp decline in corporate revenue collections and weakening local economic conditions, particularly lower employment and wage growth. Private-sector job growth is revised downward across the forecast horizon, and wages and personal income are expected to weaken notably beginning in FY 2027 as labor-market conditions deteriorate. Expected weaker wage growth will result in reduced withholding individual income tax revenue. Deed tax revenue is also revised downward due to a persistently weak commercial real estate market and a weakening housing market. Housing starts and home sales are now expected to remain subdued amid higher interest rates and slower job growth.

In addition to the cash collection reports, this revenue forecast was informed by various data sources, including official data on key economic indicators and updates prepared by the Congressional Budget Office and private forecasters IHS Global and Moody's Analytics.

Revenue Highlights

FY 2026 year-to-date revenue collections through August show flat overall performance, up just 0.3 percent with strength in some income-tax components offset by declines in corporate, property, and deed-related taxes.

Individual Income Taxes

Year-to-date individual income tax collections grew 10.7 percent, exceeding the 2.6 percent growth that was projected in February 2026 for the fiscal year. Withholding collections increased 3.8 percent year-to-date, outperforming expectations despite significant reductions in the federal workforce and weakness in employment across a broad cross-section of the private sector. This over-performance is largely due to severance payments associated with federal reductions-in-force and lump-sum retirement distributions taxed at the District's highest marginal rate. These payouts resulted in year-over-year growth of August withholding receipts—based on July wages—of 11.7 percent. Seasonal summer employment also played a role. Together, these factors supported stronger-than-expected withholding growth in FY 2026, but their impact is expected to fade, with the most significant factor being the expiring federal severance benefits.

The non-withholding component grew 60.9 percent year-to-date, driven by strong increases in final payments (24.5 percent) and estimated payments (17.7 percent), along with lower refunds. Financial market performance in 2025 was a major contributor. Strong equity market performance last year resulted in sizable capital gains realizations, producing one of the strongest April filings' final payments collections on record. These gains drove strong FY 2026 performance; however, this extraordinary performance is not forecasted to continue in FY 2027-2030 given the extreme volatility of this revenue source.

Corporate and Unincorporated Franchise Taxes

Corporate franchise revenue is down sharply year-to-date, 19.9 percent lower than the same period in FY 2025, despite strong reported corporate earnings. The decline reflects broad weakness across major payment components, with estimated payments down 10.8 percent and final payments down 18.2 percent. Despite strong corporate earnings, District corporate tax receipts continue to fall as businesses make extensive use of accelerated deductions tied to large capital investments. Although the District is partially decoupled from federal corporation tax expensing provisions, the District's largest technology and industrial taxpayers increased capital spending dramatically, thereby raising their depreciation and amortization deductions and reducing their District tax liabilities. As a result, the corporate franchise tax forecast for FY 2026 has been revised downward, reflecting a significant adjustment from earlier estimates. Depreciation deductions are expected to remain elevated, given substantial capital expenditures in both 2025 and 2026. Continued planned capital investments in 2027 will reduce corporate tax revenue over the forecast period.

Unincorporated business tax revenue shows modest growth, up 5.8 percent, but it is not enough to offset declines in corporate franchise revenue. The year-to-date growth is driven mainly by stronger-than-expected payments from unincorporated business taxpayers in the government services and consulting sectors. As a result, the forecast is revised upward relative to previous projections.

Sales Tax

Year-to-date sales tax collections through August are performing better than anticipated, down only 0.6 percent, running well above the 4.0 percent decline projected in February. As a result, the FY 2026 forecast has been revised upward by approximately $85 million. Much of this strength reflects a sharp rebound in tourism, driven by activity surrounding the nation's 250th anniversary, which boosted hotel, restaurant, and related taxable sales. General retail sales have also outperformed expectations. The latest forecast revised upward personal consumption expenditures, consistent with the current sales tax collection trend. Policy changes enacted in the 2026 Budget Support Act also affect the outlook. The one-year delay of the scheduled increase in the general sales tax rate to 7.0 percent reduces FY 2027 revenue by roughly $143 million, and the 1 percent hotel surcharge—previously set to expire—will now continue throughout the plan, with its dedication modified beginning in FY 2028. Overall, the general sales tax forecast for FY 2026 is revised upward, with elevated strength carrying forward in FY 2027 and tapering through the remainder of the financial plan period.

Real Property Taxes

Real property tax revenue in FY 2026 remains largely consistent with the February forecast. Updated assessment, billing, and collection data available in September show that total tax liability is down approximately 5 percent, driven mainly by an 11 percent decline in commercial properties, especially offices, while residential properties grew about 3 percent. With uncertainties surrounding appeals, late collections, and final refunds, the September forecast for FY 2026 real property tax revenue is unchanged at $2.746 billion. The FY 2027 estimate also remains unchanged, given the modest projected growth and ongoing risks.

Deed and Economic Interest Taxes

Deed and economic interest tax revenue continues to soften, down 20.6 percent, and is expected to fall short of earlier projections. Based on year-to-date collections and updated estimates for September, total FY 2026 deed revenue is now expected to remain below FY 2025 levels, and lower than forecasted in February. The decline reflects fewer transactions, smaller average sale amounts, and a steep reduction in commercial property activity—where total deed transfer taxes are down 26 percent year-over-year. Residential sales have also slowed, though less sharply. While deed revenue showed a strong rebound in FY 2025, the recovery is now unfolding more slowly than expected. As a result, FY 2026 deed tax revenue has been revised downward for the second time this year, and this lower base level will carry forward into out-year projections even though growth rates for FY 2027 through FY 2030 remain unchanged.

Nontax Revenue

Nontax revenue collections are below last year's levels, reflecting lower receipts from investment income and automated traffic fines. However, year-to-date nontax receipts are trending above the February forecast, as unclaimed property proceeds and investment earnings are higher than expected. The FY 2026 forecast has therefore been revised upward to incorporate these gains; however, these sources are highly volatile and are not projected to continue at the same pace in the out-years. The forecast beyond FY 2026 reflects a downward adjustment, driven largely by expected declines in fine-based revenue streams. Minor changes across other nontax categories do not materially affect the overall outlook.

National and Regional Economies

The U.S. economy has been resilient amid ongoing uncertainty and several external shocks. Oil prices remain elevated, but business investment, driven largely by AI data center development, remains strong, and equity markets have reached record highs. Inflation pressures remain a concern, and with expectations of higher inflation, investors have demanded higher yields on the 10-year Treasury note, pushing yields above levels seen earlier this year.

The U.S. Bureau of Economic Analysis (BEA) reported that U.S. real Gross Domestic Product (GDP) grew at an annualized rate of 1.5 percent in Q2 2026, a slowdown from the prior quarter's 2.1 percent. Business investment remained solid, and corporate profits from current production rose sharply, up $401 billion in the quarter. Consumer spending accelerated to 3.4 percent, a key source of strength despite ongoing inflationary pressures. Together, consumption and private fixed

investment pushed real final sales to private domestic purchasers up by 4.2 percent. In contrast, government spending declined by 1.0 percent, while a widening trade deficit and slower inventory accumulation weighed on GDP growth.

According to the U.S. Bureau of Labor Statistics (BLS), total nonfarm payroll employment rose by 162,000 in August 2026, far exceeding economists' expectations. Job growth for June and July was also revised upward by a combined 55,000 jobs, flipping July's previously reported decline into a 21,000 job gain. The August expansion was driven by a 59,000 job increase in the restaurant industry and a 42,000 job rebound in local government education, while the information industry shed 23,000 positions. Meanwhile, the unemployment rate held steady at 4.1%, accompanied by a slight recovery in the labor force participation rate to 61.6%.

The Consumer Price Index (CPI) increased 0.4 percent in August 2026, leaving the 12-month inflation rate unchanged at 3.4 percent. This pause in the downward trend in inflation was largely driven by energy prices, which rose 2.1 percent during the month and were 16.3 percent higher than a year ago amid ongoing oil-related shocks. Meanwhile, Core CPI, a narrower inflation measure that excludes food and energy, rose 0.3 percent in August, bringing the 12-month core inflation rate down to a more moderate 2.4 percent.

Employment growth in the Washington metropolitan area continued to lag the national pace in the first quarter of 2026, reflecting, in part, the region’s large concentration of federal workers amid a major downsizing of the federal workforce since January 2025. Total employment declined 2.6 percent year over year in the second quarter of 2026, compared with a 0.2 percent increase nationwide. With job growth remaining weak, labor-market conditions are likely to continue to weigh on the region’s overall economic performance.

U.S. Recent History

	2025q2	2025q3	2025q4	2026q1	2026q2
Real GDP (annualized Q/Q %)	3.8	4.4	0.5	2.1	1.5
Personal Income (% change from prior yr.)	4.8	5.0	4.4	3.6	3.5
Employment (% change from prior yr.)	0.6	0.5	0.2	0.2	0.2
Unemployment rate (%)	4.2	4.3	4.5	4.3	4.3
CPI (% change from prior yr.)	2.5	2.9	2.7	2.7	3.8
Yield on 10-Yr Treasury (%)	4.4	4.3	4.1	4.2	4.4
S&P 500 (avg level)	5,737	6,430	6,777	6,826	7,273

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

U.S. Economic Outlook

	FY 2025 (actual)	FY 2026 (est.)	FY 2027 (est.)	FY 2028 (est.)	FY 2029 (est.)	FY 2030 (est.)
Real GDP (% change)	2.2	2.1	2.2	2.3	2.3	2.4
Personal Income (% change)	5.0	3.7	5.0	5.3	4.9	4.7
Employment (% change)	0.6	0.2	0.4	0.4	0.5	0.5
Unemployment rate (%)	4.2	4.3	4.5	4.5	4.4	4.4
CPI (% change)	2.7	3.1	2.8	2.3	2.1	2.0
Yield on 10-Yr Treasury (%)	4.3	4.3	4.3	4.2	4.2	4.2
S&P 500 (level last quarter)	6,776.5	7,379.7	7,184.5	7,603.8	8,234.4	8,861.2

Source: Office of Revenue Analysis September 2026 Outlook

The U.S. economy is projected to grow at a healthy pace in the coming year, supported by resilient consumer spending and steady business investment. Although high interest rates, tighter immigration policies, elevated tariffs, and geopolitical uncertainty pose meaningful risks, several emerging opportunities may strengthen the outlook. The One Big Beautiful Bill Act (OBBBA), along with full expensing for certain investments, is expected to provide a notable boost to future economic activity. Businesses are also accelerating investments in AI infrastructure, data centers, electricity generation, and advanced manufacturing, which could enhance productivity and support job creation.

At the same time, rapid advances in artificial intelligence pose growing risks to white-collar employment, particularly in consulting, legal services, and other professional fields where routine analytical and documentation tasks are increasingly automated. In addition to these structural shifts, geopolitical tensions and higher oil prices continue to push inflation higher, which may prompt the Federal Reserve to raise interest rates. Overall, the outlook remains cautiously optimistic, with long-term investments helping to offset near-term economic challenges.

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 contracted in 2025, driven by unprecedented federal workforce reductions and reduced contracting and nonprofit activity. Real Gross State Product (GSP) fell sharply, contracting at an annualized rate of 8.3 percent in the fourth quarter of 2025. The District experienced a net loss of 45,600 jobs, representing 6 percent of total jobs, between January 2025 and August 2026, largely driven by the loss of approximately 28,000 federal positions, or 14.6 percent of the local federal workforce. The professional and business services sector, which is highly dependent on federal contracting, shed 9,400 jobs, and other services, which largely comprise nonprofit organizations, many of which receive federal funding, shed 2,800 jobs over the same period. Meanwhile, the healthcare and private education sectors, which have historically been reliable sources of job growth in the District, have stagnated or even contracted

in recent months. Although the decline in federal employment was significant, it remained broadly consistent with our February forecast. Housing demand remains weak, residential construction has fallen to a near 15-year low, and longstanding affordability challenges persist.

On a positive note, the District's Real Gross State Product (GSP) rebounded 2.2 percent in the first quarter of 2026 as a federal shutdown in early 2026 ended and furloughed workers returned with back pay. Reduction-in-force efforts have largely paused since, stabilizing the federal workforce at its lowest level on record. The free fall in professional/business services, heavily reliant on federal contracts, has ended, and contract activity has begun to recover modestly this year.

In the first quarter of 2026, the District's personal income rose 1.9 percent compared with a year earlier, a pace that fell below the national average of 3.5 percent. Total wages earned by District workers fell 1.6 percent, and wages earned by District residents declined by a similar percentage.

D.C. Recent History

	2025q1	2025q2	2025q3	2025q4	2026q1
Real GSP (annualized Q/Q %)	-2.5	0.0	1.3	-8.3	2.2
Personal Income (% change from prior yr.)	4.2	3.8	3.4	2.3	1.9
Wages in D.C. (% change from prior yr.)	4.6	3.4	2.2	-1.1	-1.6
D.C. Resident Wages (% change from prior yr.)	4.0	2.9	1.6	-1.1	-1.6
Employment in D.C. (% change from prior yr.)	-1.1	-1.4	-2.5	-5.3	-5.6
D.C. Resident Employment (% change from prior yr.)	-0.3	-1.0	-2.1	-2.7	-2.7
Unemployment rate (%)	5.9	6.1	6.5	6.7	6.5
Washington area CPI (% change from prior yr.)	3.0	3.2	3.7	3.2	3.1

Source: BEA; BLS; ORA

In January 2026, the U.S. Census Bureau released updated estimates showing that the District's population grew from 691,310 (a downward revision from 702,250) to 693,645 between July 2024 and July 2025, a net increase of 2,335 residents, or 0.3 percent. Most of this growth resulted from natural increase, while gains from international migration (3,915) were offset by losses from domestic migration (-4,128). Population growth in the coming years is expected to remain constrained by the outflow of former federal workers and reduced immigration.

Tourism remains a vital part of the District's economy, supporting roughly 10 percent of the city's workforce. According to Destination DC, the city welcomed 27.2 million visitors in 2025, including 25.1 million domestic travelers and 2.1 million international visitors. However, tourism activity softened in 2025 and 2026. Passenger traffic through the region's major airports—Ronald Reagan Washington National, Washington Dulles International, and Baltimore/Washington International—declined 2.4 percent in the 6 months ending June 2026, compared with the same period a year earlier, following a 2.0 percent decline in 2025. The hospitality sector has also softened, with hotel occupancy falling 3 percentage points from an average of 72 percent in calendar year 2024 to 69 percent in 2025. There are, however, signs of stabilization: occupancy turned positive in the most recent quarter ending June 2026, suggesting the downward trend may be starting to reverse.

Higher mortgage interest rates have slowed existing home sales both nationally and regionally from their post-pandemic highs. In the District, the supply of active listings remains exceptionally

limited, and closed sales of existing homes in the second quarter of 2026 totaled approximately 4,870 units at an annualized rate, near the lowest level in more than a decade. Housing starts reached 1,853 units in the second quarter of 2026, remaining well below the decade-long average of 4,300 units. The multifamily rental vacancy rate remains elevated, and average rent in the second quarter of 2026 was down 1.0 percent year-over-year amid worsening labor market conditions.

D.C. Economic Outlook

	FY 2025 (actual)	FY 2026 (est.)	FY 2027 (est.)	FY 2028 (est.)	FY 2029 (est.)	FY 2030 (est.)
Real GDP (% change)	1.6	-1.8	0.6	1.4	1.7	2.0
Personal Income (% change)	4.5	2.1	3.2	3.2	3.6	3.9
Wages in D.C. (% change)	4.0	-0.9	2.1	2.4	3.0	3.7
D.C. Resident Wages (% change)	4.1	-0.9	2.1	2.4	3.0	3.7
Population (% change)	0.3	-0.3	-0.2	0.0	0.2	0.4
Employment in D.C. (% change)	-1.3	-5.0	-0.5	0.3	0.4	0.7
D.C. Resident Employment (% change)	-0.7	-2.3	-0.6	0.3	0.5	0.7
Unemployment rate (%)	6.0	6.4	6.3	6.4	6.2	6.1
Washington area CPI (% change)	3.3	3.3	2.5	2.2	2.4	2.1

Source: Office of Revenue Analysis September 2026 Outlook

The economic outlook for the District remains uncertain. As the most government-dependent economy in the United States, the District benefits from a stabilizing federal presence that has historically helped shield it from broader fluctuations in the private sector. However, this structural dependence also creates vulnerabilities. The federal government's efforts to reduce its workforce have disproportionately affected the District and the region. By the end of FY 2029, the District's federal payrolls will likely have declined by just under 17 percent (approximately 32,600 jobs), an improvement over the previously forecasted 20 percent (approximately 39,200 jobs) decline. That said, the forecast for private-sector job losses has worsened, and the District's total job loss of 6 percent as of August 2026 already exceeds the original February 2025 forecast of 5 percent at the start of the federal workforce downsizing.

The February 2026 forecast has been updated to reflect recent developments. After declining 8.3 percent in the last quarter of 2025, the District's real GSP is projected to contract 1.8 percent for FY 2026, gradually recover in FY 2027, and return to trend growth in FY 2028 through FY 2030. Employment is expected to decline 5.0 percent in FY 2026 and an additional 0.5 percent in FY 2027. The unemployment rate is expected to rise from 6.0 percent in FY 2025 to 6.4 percent in FY 2026. Other key economic indicators have also been revised to reflect these updated trends.

Risks to the Forecast

The District's economic outlook carries several notable risks. As a government-centric economy, the city remains highly dependent on federal employment and contracting activity, making the current federal government's policy direction a critical determinant of future conditions. Recent federal budget reductions and executive rescissions have already prompted private-sector employers to scale back operations, pushing professional and management employment to its

lowest level since 2021, when the region was emerging from the COVID-19 pandemic-induced recession. As noted previously, from January 2025 to August 2026, the professional and management sector shed roughly 9,400 jobs in the District.

In addition to these pressures, the ongoing threat of a federal government shutdown poses a downside risk. A prolonged shutdown would disrupt federal operations, delay contract spending, and further weaken hiring and income growth, intensifying the challenges already facing the regional economy.

Also noteworthy are changes in the composition of the District's revenue base. Since FY 2019, income tax revenue from capital gains and corporate franchise taxes has grown at average annual rates of just over 6 percent and 12 percent, respectively. These sources are highly volatile and largely driven by factors outside the District and the metropolitan region, unlike steadier revenue streams such as sales, withholding, and property taxes. Just as the District's income taxes yield substantially greater-than-expected revenues when national capital gains and corporate profits are strong, it is equally vulnerable to a stock market crash or a decline in corporate earnings or investment patterns.

The commercial real estate market continues to pose a significant risk to the District's economic outlook, as persistently high vacancy rates remain a major concern. In the second quarter of 2026, the average office vacancy rate in the central business district reached 19.2 percent. This elevated level is expected to persist despite the implementation of a return-to-office mandate for federal employees. Headwinds are expected to intensify as the General Services Administration's (GSA) space consolidation efforts reduce its real estate footprint, evidenced by the rapid disposition of major properties like the 940,000-square-foot GSA Regional Office Building and the ongoing termination of private lease agreements. Furthermore, major agency relocations, such as the Department of Housing and Urban Development vacating its District office building for Virginia, threaten to exacerbate inventory oversupply, placing permanent downward pressure on commercial property values and localized leasing activity.

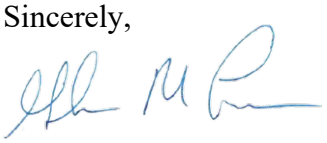
Rapid advances in artificial intelligence (AI) present an emerging risk to the District's labor market, which is uniquely concentrated in knowledge-intensive sectors such as professional, technical, and legal services; information and financial activities; and business administration. Many routine functions in these fields, ranging from contract review, report creation, and data extraction, are increasingly handled by autonomous agentic AI, raising the likelihood of stagnant wage growth in entry-level roles and a widening skills mismatch.

Persistent inflation and rising national debt are expected to keep long-term interest rate risks elevated through 2027. A tight labor market, rising AI-driven capital expenditures, and high oil prices have prompted the Federal Reserve to resume tightening monetary action, culminating in a 25-basis-point increase on Sept. 16, 2026, which raised the target range to 3.75%–4.00%. With the Federal Open Market Committee signaling further rate hikes, higher borrowing costs are likely to intensify the downturn in the District's already softening real estate market.

The prevailing risks and high levels of uncertainty create a profoundly 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 M. Lee
Chief Financial Officer

DISTRIBUTION LIST
Councilmember Anita Bonds (At-Large)
Councilmember Robert White (At-Large)
Councilmember Christina Henderson (At-Large)
Councilmember Elissa Silverman (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 (Ward 8)
Kevin Donahue, City Administrator
Tomás Talamante, Chief of Staff, Executive Office of the Mayor
Jennifer Reed, Deputy City Administrator
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		
	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
PROPERTY	3,014,819	2,869,828	2,900,004	2,959,133	3,024,763	3,108,455
Real Property	2,891,406	2,746,358	2,772,638	2,826,728	2,890,559	2,972,309
Personal Property	86,793	90,907	94,532	99,105	100,265	101,353
Public Space Rental	36,620	32,563	32,834	33,301	33,939	34,794
Dedicated to other funds	*-35,598*	*-15,931*	*-18,399*	*-14,119*	*-14,702*	*-15,553*
PROPERTY (NET)	2,979,220	2,853,898	2,881,606	2,945,015	3,010,062	3,092,903
SALES & EXCISE	2,174,249	2,172,898	2,142,879	2,308,190	2,368,783	2,425,269
General Sales	2,090,748	2,091,509	2,060,972	2,225,294	2,285,625	2,342,087
Alcohol	6,966	6,805	6,921	7,059	7,130	7,130
Cigarette	7,941	7,862	7,728	7,604	7,399	7,399
Motor Vehicle	45,333	43,066	43,798	44,674	45,121	45,121
Motor Fuel	23,261	23,656	23,459	23,558	23,508	23,533
Dedicated to other funds	*-588,821*	*-548,792*	*-542,988*	*-560,604*	*-568,858*	*-576,204*
SALES & EXCISE(NET)	1,585,428	1,624,107	1,599,891	1,747,586	1,799,926	1,849,065
INCOME	4,840,361	5,095,875	4,843,868	5,029,880	5,149,424	5,334,467
Individual Income	3,605,177	3,988,806	3,790,415	3,947,894	4,096,496	4,287,712
Corporate Franchise	1,017,960	867,468	803,516	832,302	802,103	794,530
U.B. Franchise	217,225	239,601	249,936	249,685	250,825	252,225
INCOME (NET)	4,840,361	5,095,875	4,843,868	5,029,880	5,149,424	5,334,467
GROSS RECEIPTS	559,812	619,384	574,919	566,539	558,465	454,004
Public Utilities	124,590	123,551	120,870	121,975	123,062	124,133
Toll Telecommunications	34,167	27,716	27,444	26,724	25,810	24,800
Insurance Premiums	169,845	187,626	189,681	191,639	193,621	195,626
Ballpark Fee	47,469	50,198	51,560	52,149	52,724	53,386
Private sports wagering	19,382	25,559	25,921	26,310	26,750	27,256
Games of Skill	129	109	110	112	114	116
Health Related Taxes	164,231	204,626	159,334	147,630	136,384	28,688
Dedicated to other funds	*-294,927*	*-344,171*	*-319,225*	*-277,171*	*-273,120*	*-160,702*
GROSS RECEIPTS (NET)	264,885	275,213	255,694	289,368	285,345	293,302
OTHER TAX	455,391	384,625	417,277	509,218	562,429	613,069
Estate	44,518	38,314	38,756	39,203	39,656	40,132
Deed Recordation	211,107	183,179	205,340	263,989	294,612	324,072
Deed Transfer	175,924	143,800	153,055	185,516	207,036	227,740
Economic Interest	23,842	19,332	20,127	20,509	21,125	21,125
Dedicated to other funds	*-62,415*	*-52,167*	*-53,147*	*-70,722*	*-78,636*	*-86,161*
OTHER TAX (NET)	392,976	332,458	364,130	438,496	483,793	526,908
TOTAL TAX (GROSS)	**11,044,632**	**11,142,610**	**10,878,947**	**11,372,961**	**11,663,864**	**11,935,265**
TOTAL TAX (NET)	**10,062,871**	**10,181,550**	**9,945,188**	**10,450,345**	**10,728,550**	**11,096,646**
NONTAX	993,334	1,091,827	1,068,885	1,042,591	1,026,720	1,048,200
Licenses & Permits	142,626	140,648	152,069	152,985	153,990	155,076
Fines & Forfeits	271,410	189,204	188,535	187,818	184,062	180,382
Charges for Services	429,407	429,126	508,717	494,484	481,811	501,045
Miscellaneous	149,891	332,849	219,564	207,304	206,857	211,697
Dedicated to other funds	*0*	*0*	*0*	*0*	*0*	*0*
NONTAX (NET)	993,334	1,091,827	1,068,885	1,042,591	1,026,720	1,048,200
LOTTERY	32,500	27,969	27,736	23,752	23,506	23,258
Dedicated to other funds	*0*	*0*	*0*	*0*	*0*	*0*
LOTTERY (NET)	32,500	27,969	27,736	23,752	23,506	23,258
GROSS REVENUE	12,070,467	12,262,406	11,975,568	12,439,304	12,714,090	13,006,723
LOCAL FUND REVENUE	11,088,706	11,301,347	11,041,809	11,516,688	11,778,776	12,168,104
OTHER FUNDS	981,761	961,059	933,759	922,616	935,315	838,619

TABLE 1: REVENUE SUMMARY TABLE (Continued)

% Change from Year Ago	ACTUAL	ESTIMATE		OUT YEAR PROJECTIONS		
	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
PROPERTY	-0.7%	-4.8%	1.1%	2.0%	2.2%	2.8%
Real Property	-0.9%	-5.0%	1.0%	2.0%	2.3%	2.8%
Personal Property	4.1%	4.7%	4.0%	4.8%	1.2%	1.1%
Public Space Rental	-0.3%	-11.1%	0.8%	1.4%	1.9%	2.5%
Dedicated to other funds	*-32.2%*	*-55.2%*	*15.5%*	*-23.3%*	*4.1%*	*5.8%*
PROPERTY (NET)	-0.2%	-4.2%	1.0%	2.2%	2.2%	2.8%
SALES & EXCISE	4.3%	-0.1%	-1.4%	7.7%	2.6%	2.4%
General Sales	4.4%	0.0%	-1.5%	8.0%	2.7%	2.5%
Alcohol	-0.9%	-2.3%	1.7%	2.0%	1.0%	0.0%
Cigarette	-18.7%	-1.0%	-1.7%	-1.6%	-2.7%	0.0%
Motor Vehicle	3.4%	-5.0%	1.7%	2.0%	1.0%	0.0%
Motor Fuel	6.8%	1.7%	-0.8%	0.4%	-0.2%	0.1%
Dedicated to other funds	*-0.8%*	*-6.8%*	*-1.1%*	*3.2%*	*1.5%*	*1.3%*
SALES & EXCISE(NET)	6.4%	2.4%	-1.5%	9.2%	3.0%	2.7%
INCOME	13.3%	5.3%	-4.9%	3.8%	2.4%	3.6%
Individual Income	14.9%	10.6%	-5.0%	4.2%	3.8%	4.7%
Corporate Franchise	9.2%	-14.8%	-7.4%	3.6%	-3.6%	-0.9%
U.B. Franchise	8.3%	10.3%	4.3%	-0.1%	0.5%	0.6%
INCOME (NET)	13.3%	5.3%	-4.9%	3.8%	2.4%	3.6%
GROSS RECEIPTS	33.8%	10.6%	-7.2%	-1.5%	-1.4%	-18.7%
Public Utilities	1.5%	-0.8%	-2.2%	0.9%	0.9%	0.9%
Toll Telecommunications	-4.7%	-18.9%	-1.0%	-2.6%	-3.4%	-3.9%
Insurance Premiums	4.6%	10.5%	1.1%	1.0%	1.0%	1.0%
Ballpark Fee	-7.9%	5.7%	2.7%	1.1%	1.1%	1.3%
Private sports wagering	393.7%	31.9%	1.4%	1.5%	1.7%	1.9%
Games of Skill	12.2%	-15.6%	1.6%	1.5%	1.7%	1.9%
Health Related Taxes	305.4%	24.6%	-22.1%	-7.3%	-7.6%	-79.0%
Dedicated to other funds	*66.6%*	*16.7%*	*-7.2%*	*-13.2%*	*-1.5%*	*-41.2%*
GROSS RECEIPTS (NET)	10.1%	3.9%	-7.1%	13.2%	-1.4%	2.8%
OTHER TAX	21.4%	-15.5%	8.5%	22.0%	10.4%	9.0%
Estate	-1.0%	-13.9%	1.2%	1.2%	1.2%	1.2%
Deed Recordation	24.9%	-13.2%	12.1%	28.6%	11.6%	10.0%
Deed Transfer	19.4%	-18.3%	6.4%	21.2%	11.6%	10.0%
Economic Interest	72.7%	-18.9%	4.1%	1.9%	3.0%	0.0%
Dedicated to other funds	*25.1%*	*-16.4%*	*1.9%*	*33.1%*	*11.2%*	*9.6%*
OTHER TAX (NET)	20.8%	-15.4%	9.5%	20.4%	10.3%	8.9%
TOTAL TAX (GROSS)	8.4%	0.9%	-2.4%	4.5%	2.6%	2.3%
TOTAL TAX (NET)	8.1%	1.2%	-2.3%	5.1%	2.7%	3.4%
NONTAX	14.5%	9.9%	-2.1%	-2.5%	-1.5%	2.1%
Licenses & Permits	0.1%	-1.4%	8.1%	0.6%	0.7%	0.7%
Fines & Forfeits	16.5%	-30.3%	-0.4%	-0.4%	-2.0%	-2.0%
Charges for Services	475.7%	-0.1%	18.5%	-2.8%	-2.6%	4.0%
Miscellaneous	-63.6%	122.1%	-34.0%	-5.6%	-0.2%	2.3%
Dedicated to other funds						
NONTAX (NET)	14.5%	9.9%	-2.1%	-2.5%	-1.5%	2.1%
LOTTERY	-16.2%	-13.9%	-0.8%	-14.4%	-1.0%	-1.1%
Dedicated to other funds						
LOTTERY (NET)	-16.2%	-13.9%	-0.8%	-14.4%	-1.0%	-1.1%
GROSS REVENUE	8.8%	1.6%	-2.3%	3.9%	2.2%	2.3%
LOCAL FUND REVENUE	8.5%	1.9%	-2.3%	4.3%	2.3%	3.3%
OTHER FUNDS	12.4%	-2.1%	-2.8%	-1.2%	1.4%	-10.3%

TABLE 2: DEDICATED/ENTERPRISE REVENUE

$ in Thousands		ACTUAL	ESTIMATE		OUT YEAR PROJECTIONS		
DEDICATED TO	Tax Type	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
TIF	Real Property	15,371	14,647	17,066	12,771	13,337	14,167
	General Sales	26,038	27,972	28,722	26,767	27,776	28,738
PILOT	Real Property	19,417	645	694	709	726	747
	General Sales	13,463	-	-	-	-	-
Walter Reed Development	Real Property	608	639	639	639	639	639
St. Elizabeth East Campus Red. Fund	Real Property	203	-	-	-	-	-
	General Sales	148	-	-	-	-	-
Convention Center	General Sales	172,306	157,812	157,528	157,379	161,696	165,830
Convention Center-DestinationDC	General Sales	33,230	6,875	6,811	21,683	22,198	22,723
Economic Development Special Account	General Sales	-	10,466	6,140	7,477	7,654	7,836
Ballpark and RFK Campus Infrastructure Fund *	General Sales	19,125	18,922	21,728	22,639	23,352	24,030
	Public Utility	7,523	7,602	7,560	7,629	7,697	7,764
	Toll Telecommunication	1,756	1,609	1,593	1,551	1,498	1,440
	Sports Facilities Fee	47,469	50,198	51,560	30,695	30,695	31,360
Healthy DC - Marijuana	General Sales	2,084	2,287	-	-	-	-
Medical Cannabis Social Equity Fund	General Sales	-	-	-	-	-	-
Healthy DC - MCO	Insurance premium	73,948	82,136	101,233	91,691	98,868	93,476
WMATA - Operations	General Sales	76,761	78,148	79,711	81,405	82,153	82,153
WMATA - Capital	General Sales	178,500	178,500	178,500	178,500	178,500	178,500
Comm. on Arts and Humanities	General Sales	43,905	44,152	40,388	41,196	42,020	42,861
Highway Trust Fund	Motor Fuel	23,261	23,656	23,459	23,558	23,508	23,533
Nursing Facility Quality of Care	Health Related	18,021	19,526	19,902	20,370	20,820	21,274
Hospital Fund	Health Related	8,454	8,454	8,454	8,454	8,454	-
Hospital Provider Fee Fund	Health Related	6,446	6,598	6,598	6,598	6,598	-
Inpatient Hospital - Provider Fee Fund	Health Related	86,274	68,181	82,734	74,461	66,187	-
Outpatient Hospital -Provider Fee Fund	Health Related	39,692	93,856	34,204	30,335	26,914	-
ICF-IDD Stevie Sellows	Health Related	5,343	6,012	5,388	5,388	5,388	5,388
Housing Production	Deed Recordation	29,420	25,217	26,649	37,342	41,930	46,357
Trust Fund (HPTF)	Deed Transfer	26,389	21,570	21,246	27,827	31,055	34,161
	Economic Interest	4,004	2,900	2,772	3,076	3,169	3,169
HPTF-Debt Service	Deed Recordation	2,247	2,260	2,260	2,257	2,262	2,254
	Deed Transfer	-	-	-	-	-	-
	Economic Interest	-	-	-	-	-	-
West End Maintenance	Deed Recordation	177	65	62	75	73	73
	Deed Transfer	177	155	158	145	147	147
		981,761	**961,059**	**933,759**	**922,616**	**935,315**	**838,619**

** 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. In addition, based on The FY 2027 Budget Support Act, for FY 2027 revenue from sales and utility taxes that is dedicated to the Ball Park Preseravation and Improvement Fund is redirected to the District's pay-as-you-go capital fund within the general fund.*

Supplemental Tables
TABLE 1-1 REVENUE COMPONENTS

$ in Thousands	ACTUAL	ESTIMATE	OUT YEAR PROJECTIONS			
	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
1. REAL PROPERTY	2,891,406	2,746,358	2,772,638	2,826,728	2,890,559	2,972,309
Residential (C1)	1,260,433	1,288,819	1,317,645	1,353,267	1,388,852	1,433,737
Commercial (C2)	1,586,717	1,410,942	1,408,598	1,426,138	1,452,964	1,488,366
Vacant & Blighted	44,263	46,598	46,395	47,323	48,743	50,205
2. GENERAL SALES	2,090,748	2,091,509	2,060,972	2,225,294	2,285,625	2,342,087
General (6%)	961,532	998,674	979,708	1,147,188	1,184,028	1,218,207
Food and drink for immediate consumption (10%)	567,871	543,550	540,400	554,283	573,370	589,996
Hotel and short term lodging (15.95%/14.95%)	408,046	402,764	387,945	370,697	372,715	377,981
All others	153,299	146,522	152,920	153,127	155,512	155,902
3. INDIVIDUAL INCOME TAX	3,605,177	3,988,806	3,790,415	3,947,894	4,096,496	4,287,712
Withholding	3,036,673	3,131,376	3,151,710	3,253,378	3,365,213	3,517,715
Nonwithholding	568,504	857,429	638,706	694,516	731,283	769,998

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			
	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
1. REAL PROPERTY	-0.9%	-5.0%	1.0%	2.0%	2.3%	2.8%
Residential (C1)	4.8%	2.3%	2.2%	2.7%	2.6%	3.2%
Commercial (C2)	-5.3%	-11.1%	-0.2%	0.0%	1.9%	2.4%
Vacant & Blighted	16.9%	5.3%	-0.4%	2.0%	3.0%	3.0%
2. GENERAL SALES	4.4%	0.0%	-1.5%	8.0%	2.7%	2.5%
General (6%)	5.5%	3.9%	-1.9%	17.1%	3.2%	2.9%
Food and drink for immediate consumption (10%)	3.4%	-4.3%	-0.6%	2.6%	3.4%	2.9%
Hotel and short term lodging (15.95%)	3.0%	-1.3%	-3.7%	-4.4%	0.5%	1.4%
All others	5.5%	-4.4%	4.4%	0.1%	1.6%	0.3%
3. INDIVIDUAL INCOME TAX	14.9%	10.6%	-5.0%	4.2%	3.8%	4.7%
Withholding	6.7%	3.1%	0.6%	3.2%	3.4%	4.5%
Nonwithholding	94.2%	50.8%	-25.5%	8.7%	5.3%	5.3%

Estimated Key Economic Indicators for the DC Economy - September 2026

Forecast Period Fiscal Year 2020 to Fiscal Year 2030

	Actual						Estimated	Forecast			
Variable	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
Gross Domestic Product - DC ($billions)	146.1	154.1	163.5	171.6	181.5	191.3	195.6	201.5	208.6	215.8	223.9
% change annual	*1.5%*	*5.5%*	*6.1%*	*5.0%*	*5.8%*	*5.4%*	*2.3%*	*3.0%*	*3.5%*	*3.5%*	*3.7%*
Real GDP-DC (2017 $billions)	137.9	142.2	143.8	142.6	144.3	146.6	144.0	144.8	146.8	149.2	152.2
% change annual	*-0.4%*	*3.1%*	*1.2%*	*-0.9%*	*1.2%*	*1.6%*	*-1.8%*	*0.6%*	*1.4%*	*1.7%*	*2.0%*
Personal Income ($billions)	60.0	64.7	67.1	72.1	76.8	80.3	82.0	84.6	87.3	90.4	93.9
% change annual	*4.6%*	*7.8%*	*3.7%*	*7.6%*	*6.5%*	*4.5%*	*2.1%*	*3.2%*	*3.2%*	*3.6%*	*3.9%*
Real Personal Income (2017 $billions)	57.5	60.2	58.6	60.3	62.5	63.7	62.9	63.1	63.8	65.0	66.5
% change annual	*3.4%*	*4.7%*	*-2.6%*	*2.8%*	*3.7%*	*1.9%*	*-1.2%*	*0.3%*	*1.0%*	*1.9%*	*2.3%*
Per capita personal income	88,837	96,735	99,505	105,880	111,311	115,772	118,479	122,460	126,387	130,665	135,252
% change annual	*6.4%*	*8.9%*	*2.9%*	*6.4%*	*5.1%*	*4.0%*	*2.3%*	*3.4%*	*3.2%*	*3.4%*	*3.5%*
Real per capita personal income (2017 $)	85,134	90,032	86,959	88,472	90,582	91,851	90,925	91,392	92,374	93,916	95,751
% change annual	*5.2%*	*5.8%*	*-3.4%*	*1.7%*	*2.4%*	*1.4%*	*-1.0%*	*0.5%*	*1.1%*	*1.7%*	*2.0%*
Wages in DC ($billions)	80	83	88	91	95	99	98	100	103	106	110
% change annual	*1.9%*	*4.3%*	*5.4%*	*4.2%*	*4.7%*	*4.0%*	*-0.9%*	*2.1%*	*2.4%*	*3.0%*	*3.7%*
Wages of DC residents ($billions)	30.9	32.3	34.7	36.9	39.5	41.2	40.8	41.6	42.6	43.9	45.5
% change annual	*2.1%*	*4.4%*	*7.4%*	*6.5%*	*7.1%*	*4.1%*	*-0.9%*	*2.1%*	*2.4%*	*3.0%*	*3.7%*
Personal Consumption Expenditure ($billions)	47.4	51.4	56.9	60.8	64.7	67.8	70.1	72.9	75.7	78.8	82.2
% change annual	*-3.8%*	*8.4%*	*10.6%*	*6.9%*	*6.5%*	*4.8%*	*3.4%*	*4.0%*	*3.8%*	*4.1%*	*4.4%*
Population (000s)	671.0	669.6	674.5	682.6	691.3	693.6	691.8	690.5	690.5	691.9	694.7
% change annual	*-2.4%*	*-0.2%*	*0.7%*	*1.2%*	*1.3%*	*0.3%*	*-0.3%*	*-0.2%*	*0.0%*	*0.2%*	*0.4%*
Households (000s)	305.1	310.8	321.1	327.6	334.5	340.3	340.5	340.6	341.3	342.8	344.8
% change annual	*-0.7%*	*1.8%*	*3.3%*	*2.0%*	*2.1%*	*1.7%*	*0.1%*	*0.0%*	*0.2%*	*0.4%*	*0.6%*
Employment in DC (000s)	762.0	728.3	757.6	765.0	769.1	759.3	721.5	718.3	720.5	723.5	728.5
% change annual	*-4.3%*	*-4.4%*	*4.0%*	*1.0%*	*0.5%*	*-1.3%*	*-5.0%*	*-0.5%*	*0.3%*	*0.4%*	*0.7%*
Federal Employment in DC (000s)	196.2	198.7	195.6	190.2	192.9	190.6	166.0	161.2	159.6	159.4	159.6
% change annual	*0.5%*	*1.3%*	*-1.6%*	*-2.8%*	*1.5%*	*-1.2%*	*-12.9%*	*-2.9%*	*-1.0%*	*-0.2%*	*0.2%*
Employment of DC residents (000s)	364.2	352.9	372.2	382.1	391.2	388.3	379.5	377.2	378.2	380.2	382.7
% change annual	*-3.3%*	*-3.1%*	*5.5%*	*2.7%*	*2.4%*	*-0.7%*	*-2.3%*	*-0.6%*	*0.3%*	*0.5%*	*0.7%*
Civilian labor force (000s)	392.6	380.6	392.4	401.1	412.6	413.1	405.4	403.0	404.2	405.6	407.8
% change annual	*-1.7%*	*-3.1%*	*3.1%*	*2.2%*	*2.9%*	*0.1%*	*-1.9%*	*-0.6%*	*0.3%*	*0.4%*	*0.5%*
Unemployment rate	7.3	7.3	5.1	4.7	5.2	6.0	6.4	6.3	6.4	6.2	6.1
Housing Starts	4,816	5,477	4,367	5,197	1,323	1,531	1,654	1,843	1,804	1,772	1,841
Home Sales (000s)	8,415	8,629	7,394	5,078	4,597	5,343	4,834	5,264	6,082	6,780	7,249
% change annual	*4.3%*	*2.5%*	*-14.3%*	*-31.3%*	*-9.5%*	*16.2%*	*-9.5%*	*8.9%*	*15.5%*	*11.5%*	*6.9%*
Avg Home Sale Price ($000s)	920.8	950.2	944.8	892.8	897.7	900.1	898.0	907.1	925.5	949.5	978.1
% change annual	*4.4%*	*3.2%*	*-0.6%*	*-5.5%*	*0.5%*	*0.3%*	*-0.2%*	*1.0%*	*2.0%*	*2.6%*	*3.0%*
Multifamily residential average rent per unit ($)	2,212	2,205	2,318	2,366	2,412	2,443	2,418	2,500	2,564	2,618	2,670
% change annual	*0.3%*	*-0.3%*	*5.1%*	*2.1%*	*1.9%*	*1.3%*	*-1.0%*	*3.4%*	*2.6%*	*2.1%*	*2.0%*
CBD office Vacancy rate	12.4%	14.4%	15.8%	17.2%	18.5%	18.7%	19.3%	19.3%	18.9%	18.6%	18.2%
SP 500 Stock Index	15.2%	29.4%	-16.3%	16.1%	32.2%	14.6%	8.9%	-2.6%	5.8%	8.3%	7.6%
US 10 Year Treasury	1.1	1.3	2.4	3.8	4.2	4.3	4.3	4.3	4.2	4.2	4.2
Washington Area CPI: % change prior year	1.5%	4.2%	7.2%	5.1%	3.3%	3.3%	3.3%	2.5%	2.2%	2.4%	2.1%

Note: Estimated by the D.C. Office of Revenue Analysis based on forecasts of the D.C. and national economies prepared by S&P Global Market Intelligence (Jan. 2026); Moodys Analytics (Jan. 2026); BLS labor market information from Dec. 2025; the Census Bureau estimates of DC population (Jan 2026); BEA estimates of DC personal income (2025q3) and CoStar D.C. property market data (Q4 2025).