

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**

OFFICE OF THE CHIEF FINANCIAL OFFICER



**Glen M. Lee**  
Chief Financial Officer

June 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: June 2026 Revenue Estimates**

Dear Mayor Bowser and Chairman Mendelson:

I am writing to inform you that the June 2026 revenue estimate for the District of Columbia remains unchanged from the February 2026 estimate. While year-to-date collections growth through May appears strong, after accounting for revenue from the decoupling from the One Big Beautiful Bill Act, it is only slightly above forecast, and its durability is highly uncertain. The District's economy continues to face significant challenges, in stark contrast to the national economy's resilience. U.S. real GDP growth for the first quarter of 2026 was 2.1%, and the U.S. economy added 172,000 nonfarm payroll jobs in May. In contrast, almost all key District economic indicators have turned negative. While the nation sees steady growth, the District's real GDP and total resident wages have both trended downward during the past year. The District's unemployment rate was 6.1% in May 2026, compared to the national rate of 4.3%. Furthermore, the District has experienced a 6.2% year-over-year loss in total jobs—47,000 positions—driven largely by a 15% (28,000) decline in federal jobs in D.C. since January 2025. The trend in federal job losses aligns with our February 2025 forecast of a loss of 40,000 jobs over the next three years.

Despite the District economy's weakening after last year's federal workforce downsizing shock, the District's revenue appears to be steady. Year-to-date tax revenue through May is up 3%, driven almost entirely by a 12.5% increase in individual income tax receipts. However, this apparent strength in individual income tax receipts warrants caution rather than optimism for several reasons. First, the surge in April income tax filings (with final payments up 31.4%) reflects capital gains and income from the 2025 calendar year, not current economic conditions. Second, current withholding growth (4%) has been buoyed by temporary factors, such as estimated federal severance payments, which will fade by the end of the fiscal year, and unusually high bonuses in specific sectors. Finally, gains are concentrated in a small number of

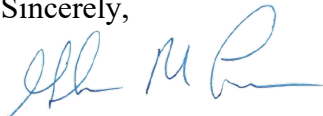
high-income sectors—specifically, finance, technology, and legal services—suggesting a "K-shaped" wage growth pattern that does not reflect the broader labor market.

Aside from individual income, the tax base is weakening: property taxes remain weak, with a 3.5% decline in year-to-date collections, and commercial office vacancies are at 18.5% this quarter. Corporate franchise tax receipts are down 19% year-to-date; sales and use taxes have declined 2.4% (led by an 11.1% drop in hotel tax revenue); and other taxes, including deed and estate taxes, have fallen 18% due to a stagnant real estate market.

The broad weakening of the District's economy and significant uncertainty about the sustainability of recent revenue gains have shifted the balance of risks to the downside. However, there is insufficient evidence that underlying economic and fiscal conditions have changed materially to warrant revising the revenue projections at this time. We will continue to closely monitor developments in the local economy, capital markets, and monthly collections patterns, and revise the revenue forecast accordingly in either the September or December revenue certifications.

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

Sincerely,



Glen M. Lee

*Attachments*

**DISTRIBUTION LIST**

Councilmember Anita Bonds (At-Large)  
Councilmember Robert White (At-Large)  
Councilmember Christina Henderson (At-Large)  
Councilmember Doni Crawford (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 Wendel 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
<b>PROPERTY</b>	3,014,819	2,867,709	2,893,301	2,952,476	3,022,973	3,110,408
Real Property	2,891,406	2,744,239	2,767,502	2,824,455	2,893,133	2,978,601
Personal Property	86,793	90,907	92,965	94,721	95,901	97,013
Public Space Rental	36,620	32,563	32,834	33,301	33,939	34,794
<i>Dedicated to other funds</i>	-35,598	-15,931	-18,399	-14,119	-14,702	-15,553
<b>PROPERTY (NET)</b>	2,979,220	2,851,778	2,874,902	2,938,358	3,008,271	3,094,855
<b>SALES &amp; EXCISE</b>	2,174,249	2,088,544	2,237,428	2,268,585	2,334,073	2,393,492
General Sales	2,090,748	2,006,910	2,155,273	2,185,435	2,250,659	2,310,053
Alcohol	6,966	7,050	7,169	7,313	7,386	7,386
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
<i>Dedicated to other funds</i>	-588,821	-546,648	-544,942	-539,271	-546,120	-555,513
<b>SALES &amp; EXCISE (NET)</b>	1,585,428	1,541,897	1,692,486	1,729,314	1,787,953	1,837,979
<b>INCOME</b>	4,840,361	4,783,304	4,879,836	5,028,310	5,188,939	5,399,860
Individual Income	3,605,177	3,699,357	3,709,761	3,797,535	3,929,946	4,112,002
Corporate Franchise	1,017,960	939,307	980,582	1,032,281	1,045,889	1,063,509
U.B. Franchise	217,225	144,640	189,493	198,494	213,104	224,349
<b>INCOME (NET)</b>	4,840,361	4,783,304	4,879,836	5,028,310	5,188,939	5,399,860
<b>GROSS RECEIPTS</b>	559,812	575,223	591,793	597,735	587,561	468,960
Public Utilities	124,590	126,340	129,173	132,283	133,488	134,498
Toll Telecommunications	34,167	33,452	32,849	32,368	31,883	31,370
Insurance Premiums	169,845	177,626	189,681	191,639	193,621	195,626
Ballpark Fee	47,469	48,198	49,505	50,124	50,701	51,360
Private sports wagering	19,382	25,518	25,921	26,310	26,750	27,256
Games of Skill	129	109	110	112	114	116
Health Related Taxes	164,231	163,981	164,553	164,899	151,004	28,735
<i>Dedicated to other funds</i>	-294,927	-308,189	-320,210	-294,826	-262,934	-157,575
<b>GROSS RECEIPTS (NET)</b>	264,885	267,033	271,583	302,909	324,626	311,385
<b>OTHER TAX</b>	455,391	397,573	430,868	525,227	579,980	632,022
Estate	44,518	38,932	39,381	39,836	40,296	40,780
Deed Recordation	211,107	183,798	206,028	264,881	295,608	325,168
Deed Transfer	175,924	152,790	162,530	197,114	219,979	241,977
Economic Interest	23,842	22,053	22,929	23,396	24,098	24,098
<i>Dedicated to other funds</i>	-62,415	-54,016	-55,092	-73,029	-81,173	-88,906
<b>OTHER TAX (NET)</b>	392,976	343,557	375,776	452,198	498,808	543,116
<b>TOTAL TAX (GROSS)</b>	<b>11,044,632</b>	<b>10,712,353</b>	<b>11,033,226</b>	<b>11,372,332</b>	<b>11,713,525</b>	<b>12,004,743</b>
<b>TOTAL TAX (NET)</b>	<b>10,062,871</b>	<b>9,787,569</b>	<b>10,094,584</b>	<b>10,451,088</b>	<b>10,808,597</b>	<b>11,187,195</b>
<b>NONTAX</b>	993,334	998,293	970,213	980,901	994,816	1,003,619
Licenses & Permits	142,626	140,648	141,384	142,298	143,304	144,390
Fines & Forfeits	271,410	214,897	210,599	206,387	202,260	198,214
Charges for Services	429,407	418,426	422,868	439,946	456,845	475,279
Miscellaneous	149,891	224,322	195,363	192,269	192,407	185,736
<i>Dedicated to other funds</i>	0	0	0	0	0	0
<b>NONTAX (NET)</b>	993,334	998,293	970,213	980,901	994,816	1,003,619
<b>LOTTERY</b>	32,500	30,074	29,824	29,539	29,295	29,048
<i>Dedicated to other funds</i>	0	0	0	0	0	0
<b>LOTTERY (NET)</b>	32,500	30,074	29,824	29,539	29,295	29,048
<b>GROSS REVENUE</b>	12,070,467	11,740,720	12,033,264	12,382,772	12,737,636	13,037,410
<b>LOCAL FUND REVENUE</b>	11,088,706	10,815,936	11,094,621	11,461,528	11,832,708	12,219,862
<b>OTHER FUNDS</b>	981,761	924,784	938,642	921,244	904,928	817,548

**TABLE 1: REVENUE SUMMARY TABLE (Continued)**

% Change from Year Ago	ACTUAL		ESTIMATE		OUT YEAR PROJECTIONS		
	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	
<b>PROPERTY</b>	-0.7%	-4.9%	0.9%	2.0%	2.4%	2.9%	
Real Property	-0.9%	-5.1%	0.8%	2.1%	2.4%	3.0%	
Personal Property	4.1%	4.7%	2.3%	1.9%	1.2%	1.2%	
Public Space Rental	-0.3%	-11.1%	0.8%	1.4%	1.9%	2.5%	
<i>Dedicated to other funds</i>	-32.2%	-55.2%	15.5%	-23.3%	4.1%	5.8%	
<b>PROPERTY (NET)</b>	-0.2%	-4.3%	0.8%	2.2%	2.4%	2.9%	
<b>SALES &amp; EXCISE</b>	4.3%	-3.9%	7.1%	1.4%	2.9%	2.5%	
General Sales	4.4%	-4.0%	7.4%	1.4%	3.0%	2.6%	
Alcohol	-0.9%	1.2%	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%	
<i>Dedicated to other funds</i>	-0.8%	-7.2%	-0.3%	-1.0%	1.3%	1.7%	
<b>SALES &amp; EXCISE (NET)</b>	6.4%	-2.7%	9.8%	2.2%	3.4%	2.8%	
<b>INCOME</b>	13.3%	-1.2%	2.0%	3.0%	3.2%	4.1%	
Individual Income	14.9%	2.6%	0.3%	2.4%	3.5%	4.6%	
Corporate Franchise	9.2%	-7.7%	4.4%	5.3%	1.3%	1.7%	
U.B. Franchise	8.3%	-33.4%	31.0%	4.8%	7.4%	5.3%	
<b>INCOME (NET)</b>	13.3%	-1.2%	2.0%	3.0%	3.2%	4.1%	
<b>GROSS RECEIPTS</b>	33.8%	2.8%	2.9%	1.0%	-1.7%	-20.2%	
Public Utilities	1.5%	1.4%	2.2%	2.4%	0.9%	0.8%	
Toll Telecommunications	-4.7%	-2.1%	-1.8%	-1.5%	-1.5%	-1.6%	
Insurance Premiums	4.6%	4.6%	6.8%	1.0%	1.0%	1.0%	
Ballpark Fee	-7.9%	1.5%	2.7%	1.3%	1.2%	1.3%	
Private sports wagering	393.7%	31.7%	1.6%	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%	-0.2%	0.3%	0.2%	-8.4%	-81.0%	
<i>Dedicated to other funds</i>	66.6%	4.5%	3.9%	-7.9%	-10.8%	-40.1%	
<b>GROSS RECEIPTS (NET)</b>	10.1%	0.8%	1.7%	11.5%	7.2%	-4.1%	
<b>OTHER TAX</b>	21.4%	-12.7%	8.4%	21.9%	10.4%	9.0%	
Estate	-1.0%	-12.5%	1.2%	1.2%	1.2%	1.2%	
Deed Recordation	24.9%	-12.9%	12.1%	28.6%	11.6%	10.0%	
Deed Transfer	19.4%	-13.2%	6.4%	21.3%	11.6%	10.0%	
Economic Interest	72.7%	-7.5%	4.0%	2.0%	3.0%	0.0%	
<i>Dedicated to other funds</i>	25.1%	-13.5%	2.0%	32.6%	11.2%	9.5%	
<b>OTHER TAX (NET)</b>	20.8%	-12.6%	9.4%	20.3%	10.3%	8.9%	
<b>TOTAL TAX (GROSS)</b>	8.4%	-3.0%	3.0%	3.1%	3.0%	2.5%	
<b>TOTAL TAX (NET)</b>	8.1%	-2.7%	3.1%	3.5%	3.4%	3.5%	
<b>NONTAX</b>	14.5%	0.5%	-2.8%	1.1%	1.4%	0.9%	
Licenses & Permits	0.1%	-1.4%	0.5%	0.6%	0.7%	0.8%	
Fines & Forfeits	16.5%	-20.8%	-2.0%	-2.0%	-2.0%	-2.0%	
Charges for Services	475.7%	-2.6%	1.1%	4.0%	3.8%	4.0%	
Miscellaneous	-63.6%	49.7%	-12.9%	-1.6%	0.1%	-3.5%	
<i>Dedicated to other funds</i>							
<b>NONTAX (NET)</b>	14.5%	0.5%	-2.8%	1.1%	1.4%	0.9%	
<b>LOTTERY</b>	-16.2%	-7.5%	-0.8%	-1.0%	-0.8%	-0.8%	
<i>Dedicated to other funds</i>							
<b>LOTTERY (NET)</b>	-16.2%	-7.5%	-0.8%	-1.0%	-0.8%	-0.8%	
<b>GROSS REVENUE</b>	8.8%	-2.7%	2.5%	2.9%	2.9%	2.4%	
<b>LOCAL FUND REVENUE</b>	8.5%	-2.5%	2.6%	3.3%	3.2%	3.3%	
<b>OTHER FUNDS</b>	12.4%	-5.8%	1.5%	-1.9%	-1.8%	-9.7%	

**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	6,729	6,889	7,052
Economic Development Special Account	General Sales	-	10,466	6,140	-	-	-
Ballpark and RFK Campus Infrastructure Fund <sup>4</sup>	General Sales	19,125	18,922	21,728	22,639	23,352	24,030
	Public Utility	7,523	7,902	8,079	8,274	8,349	8,412
	Toll Telecommunication	1,756	1,942	1,907	1,879	1,851	1,821
	Sports Facilities Fee	47,469	48,198	49,505	21,686	26,261	51,360
Healthy DC - Marijuana	General Sales	2,084	2,126	-	-	-	-
Medical Cannabis Social Equity Fund	General Sales	-	-	-	-	-	-
Healthy DC - MCO	Insurance premium	73,948	86,167	96,165	98,089	75,470	67,247
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	42,169	42,342	42,294	42,245	45,677
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	21,569	22,001	22,441	22,890	23,347
Hospital Fund	Health Related	8,454	8,454	8,454	8,454	8,454	-
Hospital Provider Fee Fund	Health Related	6,446	6,598	6,446	6,446	6,446	-
Inpatient Hospital - Provider Fee Fund	Health Related	86,274	86,985	86,985	86,985	78,286	-
Outpatient Hospital - Provider Fee Fund	Health Related	39,692	34,987	35,280	35,185	29,540	-
ICF-IDD Stevie Sellows	Health Related	5,343	5,388	5,388	5,388	5,388	5,388
Housing Production	Deed Recordation	29,420	25,310	26,753	37,476	42,079	46,521
Trust Fund (HPTF)	Deed Transfer	26,389	22,918	22,667	29,567	32,997	36,297
	Economic Interest	4,004	3,308	3,192	3,509	3,615	3,615
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
		<b>981,761</b>	<b>924,784</b>	<b>938,642</b>	<b>921,244</b>	<b>904,928</b>	<b>817,548</b>

\* 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			
	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
<b>1. REAL PROPERTY</b>	<b>2,891,406</b>	<b>2,744,239</b>	<b>2,767,502</b>	<b>2,824,455</b>	<b>2,893,133</b>	<b>2,978,601</b>
Residential (C1)	1,260,433	1,288,819	1,317,995	1,353,992	1,393,924	1,439,912
Commercial (C2)	1,586,717	1,410,942	1,404,394	1,424,454	1,451,864	1,488,484
Vacant & Blighted	44,263	46,598	46,395	47,323	48,743	50,205
<b>2. GENERAL SALES</b>	<b>2,090,748</b>	<b>2,006,910</b>	<b>2,155,273</b>	<b>2,185,435</b>	<b>2,250,659</b>	<b>2,310,053</b>
General (6%)	961,532	951,341	1,092,413	1,138,190	1,174,067	1,208,159
Food and drink for immediate consumption (10%)	567,871	543,550	550,400	561,283	580,370	597,199
Hotel and short term lodging (15.95%/14.95%)	408,046	365,498	362,101	335,344	343,291	351,426
All others	153,299	146,522	150,359	150,619	152,930	153,269
<b>3. INDIVIDUAL INCOME TAX</b>	<b>3,605,177</b>	<b>3,699,357</b>	<b>3,709,761</b>	<b>3,797,535</b>	<b>3,929,946</b>	<b>4,112,002</b>
Withholding	3,036,673	3,066,615	3,152,405	3,267,642	3,409,685	3,568,760
Nonwithholding	568,504	632,741	557,356	529,893	520,261	543,242

Remark: Commercial (C2) includes hotel, retail stores and other industrial 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
<b>1. REAL PROPERTY</b>	<b>-0.9%</b>	<b>-5.1%</b>	<b>0.8%</b>	<b>2.1%</b>	<b>2.4%</b>	<b>3.0%</b>
Residential (C1)	4.8%	2.3%	2.3%	2.7%	2.9%	3.3%
Commercial (C2)	-5.3%	-11.1%	-0.5%	1.4%	1.9%	2.5%
Vacant & Blighted	16.9%	5.3%	-0.4%	2.0%	3.0%	3.0%
<b>2. GENERAL SALES</b>	<b>4.4%</b>	<b>-4.0%</b>	<b>7.4%</b>	<b>1.4%</b>	<b>3.0%</b>	<b>2.6%</b>
General (6%)	5.5%	-1.1%	14.8%	4.2%	3.2%	2.9%
Food and drink for immediate consumption (10%)	3.4%	-4.3%	1.3%	2.0%	3.4%	2.9%
Hotel and short term lodging (15.95%)	3.0%	-10.4%	-0.9%	-7.4%	2.4%	2.4%
All others	5.5%	-4.4%	2.6%	0.2%	1.5%	0.2%
<b>3. INDIVIDUAL INCOME TAX</b>	<b>14.9%</b>	<b>2.6%</b>	<b>0.3%</b>	<b>2.4%</b>	<b>3.5%</b>	<b>4.6%</b>
Withholding	6.7%	1.0%	2.8%	3.7%	4.3%	4.7%
Nonwithholding	94.2%	11.3%	-11.9%	-4.9%	-1.8%	4.4%