GOVERNMENT OF THE DISTRICT OF COLUMBIA

OFFICE OF THE CHIEF FINANCIAL OFFICER

Glen M. Lee
Chief Financial Officer

February 27, 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: February 2026 Revenue Estimates

Dear Mayor Bowser and Chairman Mendelson:

This letter certifies the revenue estimates for the District of Columbia's Fiscal Year 2026-2030 Budget and Financial Plan. The FY 2026 local source revenue forecast has been revised upward by $75.1 million, reflecting higher-than-anticipated individual income tax collections. Revenue projections for the remaining years of the financial plan have increased by an average of $64 million annually, primarily due to stronger forecasted resident wage growth—a key driver of withholding tax revenue within individual income taxes. Despite these upward revisions, local fund revenues in FY 2026 are lower than in the previous fiscal year, as declines in federal and private-sector employment and the federal One Big Beautiful Bill Act (OBBBA) reduce revenue. The revenue estimate does not include the impact of the District's tax decoupling legislation, the D.C. Income and Franchise Tax Conformity and Revision Temporary Amendment Act of 2025, due to the uncertainty of the associated revenue as a result of Joint Resolution 142. As a result, an additional $180 million that was estimated to be collected from the decoupling provisions in FY 2026 is not included in this estimate. Since the temporary legislation applies only through September 25, 2026, and there is currently no permanent legislation that would extend these changes through the remainder of the financial plan, this does not affect estimated revenues for FY 2027-2030.

February 2026 Revenue Estimate Compared to the Previous Estimate

	Actual	Estimate		Projections		
Local Source, General Fund Revenue Estimate ($M)	**FY 2025**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**
September 2025 Revenue Estimate	***10,937.5***	***10,740.8***	***11,021.2***	***11,396.4***	***11,779.3***	
February Revision to the Estimate-Local		*75.1*	*73.5*	*65.2*	*53.4*	
February 2026 Revenue Estimate	***11,088.7***	***10,815.9***	***11,094.6***	***11,461.5***	***11,832.7***	***12,219.9***
Revenue Change From Previous Year						
Amount	864.8	(272.8)	278.7	366.9	371.2	387.2
Year-Over-Year Percent Change	*8.5%*	*-2.5%*	*2.6%*	*3.3%*	*3.2%*	*3.3%*

Year-to-date tax receipts through January grew 15.8 percent over the previous year. However, revenue performance at this point in the fiscal year is not a reliable indicator of the full-year outcome, as two of the largest revenue sources, real property tax and final income tax payments, are not yet due. While individual income tax collections are stronger than expected, the other major source of growth is gross receipts tax revenue, driven by policy actions that increased hospital inpatient and outpatient fees. Somewhat offsetting the strong growth in income and gross receipts taxes are declines in sales and deed tax collections.

The economic outlook for the District of Columbia remains clouded by uncertainty. Despite deteriorating employment, wage growth remains relatively strong and is expected to be the main driver of revenue growth throughout the financial plan period. Meanwhile, equity markets remain strong, with the S&P 500 ending calendar year 2025 up 16.4 percent from the start of the year, marking its third consecutive year of double-digit gains. This performance was fueled by resilient corporate earnings and investor enthusiasm for artificial intelligence (AI). As a result, estimated tax payments surged throughout last year and into January of this year, and capital gains realizations are expected to boost non-withholding income tax collections during the current tax filing season. As such, the overperformance of individual income tax collections is the main driver of the upward revision to near-term revenue projections. Even so, declining commercial real estate values—driven by the reduced federal presence and more remote work—continue to weigh on the economy and revenues. Also weighing on revenues are lower deed tax collections amid declining real estate transaction volumes and values, as well as lower sales tax collections from a slowing hospitality sector and reduced retail spending.

A variety of sources are the basis for this estimate including District cash collection reports; federal data on District population, employment and income; private data sources on housing, commercial real estate and hotels; forecasts of the U.S. economy prepared by the Congressional Budget Office; and private-sector economists, including the Blue Chip consensus forecast of 50 private sector economists and two private-sector firms (IHS Markit and Moody’s Analytics) that prepare forecasts of the District’s economy.

Revenue Highlights

Real Property Tax

FY 2026 real property tax revenue is revised downward by about $4.7 million, as the latest data indicate a higher-than-expected impact from commercial property assessment appeals will reduce real property tax revenue growth. As a result, FY 2026 real property tax revenue is forecasted to decline 5.1 percent. For FY 2027, the revenue forecast has been revised downward by $35.5 million due to a 1.2 percent decline in all property assessments relative to FY 2026. This brings overall FY 2027 growth to just 0.8 percent, down from the earlier 2.0 percent estimate. The forecasted growth rate for FY 2028 remains unchanged at 2.1 percent, while the FY 2029 growth rate has been revised downward from 2.9 percent to 2.4 percent. This adjustment reflects a weaker outlook for vacancy rates and rent growth in office properties during the 2026–2028 period.

General Sales Tax

Sales tax revenue has been revised downward over the forecast period, reflecting weaker household consumption and significantly reduced tourist spending. Fiscal year-to-date general sales tax collections are down 2.7 percent from last year, led by a sharp 9.7 percent decline in hotel tax revenue, as international travel—particularly from Canada and Europe—remains depressed. Legislative changes in the 2026 Budget Support Act, including the repeal of the scheduled rate increase to 6.5 percent for general retail sales, further reduce FY 2026 revenue by approximately $67 million, though the rate increase to 7 percent in FY 2027 remains in place. While strong equity markets and high-income wage growth could provide some upside, risks to the forecast are weighted to the downside, driven by potential additional federal workforce reductions and continued weakness in tourism. As a result, general sales tax is forecasted to decline 4 percent in FY 2026, rebound to 7.4 percent growth in FY 2027, and grow by an average of 2.3 percent through the remainder of the financial plan period.

Individual Income Tax

Individual income tax revenue is projected to grow in FY 2026, supported by strong year-to-date collections and robust stock market performance. Collections through January are up 19.7 percent over FY 2025, driven by a 7.6 percent rise in withholding and a 121 percent surge in non-withholding payments, reflecting higher estimated payments and reduced refunds. Strong bonus activity and capital gains have contributed to this growth, despite federal workforce reductions and private-sector layoffs. For FY 2026, total individual income tax revenue is expected to increase 2.6 percent, with withholding up 1.0 percent and non-withholding up 11.3 percent. Growth moderates in FY 2027, with overall revenue rising just 0.3 percent as non-withholding declines 11.9 percent. For the remainder of the financial plan period, growth is expected to stabilize at an average annual rate of 3.5 percent.

Business Income Taxes

Business tax revenue forecasts for FY 2026 are mixed. Corporate franchise tax collections are down 6.4 percent year-to-date and are projected to end FY 2026 with a 7.7 percent decline, reflecting weaker estimated payments, higher refunds, and the lingering effects of prior-year legislative changes. Growth is expected to resume in FY 2027 with a 4.4 percent increase and continue throughout the financial plan period at an average annual rate of 2.8 percent, supported by improved forecasts for corporate earnings and profitability.

In contrast, unincorporated business (UB) tax revenue is up 24 percent, largely driven by higher January estimated tax payments, which historically have been a key indicator of the April tax filing season. Nevertheless, revenue this fiscal year is expected to decline 33 percent, as new deductions and credits created by the OBBBA that were not claimed in the previous fiscal year are expected to be claimed this year. Revenue is expected to rebound in FY 2027, growing 31 percent, following the stabilization of earnings in the real estate sector, from which most of the District's unincorporated businesses derive their earnings. Growth in the remainder of the financial plan period is expected to average 4.5 percent annually.

Gross Receipts Tax

Year-to-date gross receipts tax collections are artificially inflated by delayed payments for new hospital fees enacted in the FY 2025 budget. Because these receipts were previously accrued to FY 2025, they are excluded from FY 2026 tax revenue. Adjusting for this timing shift, FY 2026 gross receipts revenue is projected to grow by 2.7 percent. This growth is driven primarily by the expansion of private sports wagering operations and rising public utility tax receipts. For FY 2027–2029, the gross receipts revenue forecast has been revised upward by an average of $6.9 million per year, resulting in an annual growth rate of 0.7%. In FY 2030, there is a 20% decline due to the sunsetting of the Medicaid hospital-directed payment fees.

Deed and Other Taxes

Year-to-date other tax collections—including estate, deed recordation, deed transfer, and economic interest taxes—decreased 11.1 percent compared to FY 2025, driven mainly by a decline in deed tax collections. A significant reduction in the volume and value of property sales (both residential and commercial) drove the decline in tax receipts. Earlier expectations of recovery, based on lower interest rates and improved market conditions, have not materialized. Interest rates remain high, population growth has slowed, and the real estate investment climate is weaker than anticipated. For FY 2026, deed tax revenue is revised downward by $81 million. The forecast for the remainder of the financial plan period has also been revised downward by an average of $134.5 million annually, reflecting a weaker real estate market outlook amid persistent uncertainty.

Non-Tax Revenue

The non-tax revenue forecast for the financial plan period has been significantly reduced, primarily due to downward revisions to fines and miscellaneous revenue. Collections from automated traffic safety camera units are down 17 percent, and other traffic fines are down 39 percent compared with last year. Additionally, the miscellaneous revenue forecast has been reduced to align with end-of-year adjustments to FY 2025 revenue. On the other hand, revenue from service charges has been revised upward based on rising year-to-date transfers from the Universal Paid Leave gross receipts tax collections, which benefit from a growing wage base.

National and Regional Economies

Real gross domestic product (GDP) in the United States grew at an annual rate of 1.4 percent in the fourth quarter of 2025, according to the Bureau of Economic Analysis' advance estimate. This marked a sharp slowdown from the 4.4 percent growth in the third quarter. Although consumer spending and business investment continued to provide support, these gains were partly offset by weaker net exports and lower government spending. The 43-day federal government shutdown

(October 1 to November 12, 2025) subtracted approximately 1.0 percentage point from the real GDP growth rate. Final sales to private domestic purchasers rose 2.4 percent, signaling a modest moderation while still reflecting solid underlying private-sector momentum.

Consumer spending continued to anchor the expansion, with real personal consumption expenditures (PCE) rising 2.4 percent in the 4th quarter of 2025 compared to a year ago. The core PCE price index rose 2.7 percent, underscoring that inflation remained above the Federal Reserve's two percent target. Despite ongoing tariff-related cost pressures and earlier-year disruptions, the overall composition of third-quarter growth points to an economy that shows both resilience and adaptability as it moves toward 2026.

Nonfarm payrolls for the US increased by a higher-than-expected 130,000 in January 2026, marking the strongest hiring month since late 2024, and the unemployment rate decreased to 4.3%. Despite the rebound, massive annual benchmark revisions slashed 2025's total job growth from 584,000 to 181,000, revealing a more fragile labor market. Federal employment, excluding the U.S. Postal Service, continued to contract, declining by 32,800 positions in January 2026. This decline followed a steep and consistent contraction throughout the year, with federal payrolls shrinking by 312,300 jobs—a 13 percent decline since January 2025. The most significant drop occurred in October, when 164,700 positions were eliminated under the federal government's Deferred Resignation Program.

Employment growth in the Washington metropolitan area continued to lag the national pace in the fourth quarter of 2025, partly reflecting the region's large concentration of federal workers. Regional employment fell 1.3 percent year over year, compared with a 0.6 percent increase nationally. With job growth weakening further, labor-market conditions are likely to remain a drag on the region's overall economic performance.

U.S. Recent History

	2024q4	2025q1	2025q2	2025q3	2025q4
Real GDP (% change from prior year)	2.4	2.0	2.1	2.3	2.2
Nominal GDP (% change from prior year)	4.9	4.6	4.6	5.4	5.6
Nominal Personal Income (% change from prior year)	5.4	5.1	4.8	4.7	4.3
Unemployment rate (%)	4.1	4.1	4.2	4.3	4.5
CPI (% change from prior year)	2.7	2.7	2.5	2.9	2.7
Yield on 10-Yr Treasury (%)	4.3	4.5	4.4	4.3	4.1
S&P 500 (avg level)	5,911	5,901	5,737	6,430	6,777

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	2.5	2.0	1.8	2.1	2.5
Nominal GDP (% change)	4.9	5.7	4.7	4.2	4.2	4.8
Nominal Personal Income (% change)	5.0	4.5	5.5	4.6	4.5	5.2
Unemployment rate (%)	4.2	4.6	4.5	4.4	4.4	4.4
CPI (% change)	2.7	2.7	2.9	2.4	2.2	2.3
Yield on 10-Yr Treasury (%)	4.3	4.1	4.1	4.1	4.1	4.1
S&P 500 (level last quarter)	6,777	6,834	6,589	6,518	6,541	6,551

Source: Office of Revenue Analysis, February 2026 Outlook

The U.S. economy is expected to grow at a healthy pace in 2026, supported by resilient consumer spending and easing inflation. While high interest rates, tighter immigration policies, a high level of tariffs, and geopolitical uncertainty pose meaningful risks to growth, several emerging opportunities could strengthen the outlook. OBBBA, along with full expensing for certain investments and the distribution of larger-than-usual tax refunds from over-withholding in 2025, are expected to provide a significant boost to economic activity. Businesses are also accelerating investments in AI infrastructure, data centers, electricity generation, and advanced manufacturing, which may boost productivity and support new job creation. At the same time, rapid advances in artificial intelligence can pose increasing risks to white-collar employment, particularly in consulting, legal services, and other professional fields where routine analysis, document preparation, and research tasks are becoming more automated. Overall, the outlook remains cautiously optimistic, with long-term technological investment 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. Inherent uncertainties and complexities influencing current economic dynamics make it crucial to closely monitor them to understand the evolving economic landscape.

District of Columbia Economy

The District of Columbia's economy is under significant strain, driven by unprecedented federal workforce reductions, immigration restrictions, and curtailed federal spending on contracted services. About 24,400 federal positions in the District have been eliminated from January through December 2025. The professional and business services sector, which is highly dependent on federal contracting, has shed thousands of jobs, while healthcare and leisure/hospitality, historically reliable sources of job growth, have stagnated or contracted in recent months. As a result, unemployment has climbed to a three-year high of 6.7%, up sharply from 4.7% in 2023. Housing demand remains weak, residential construction is near a 15-year low, and affordability challenges persist.

The District experienced a net loss of 31,600 jobs from the fourth quarter of 2024 to the same period in 2025. Only two sectors recorded modest gains: leisure and hospitality added 600 jobs, and the other services sector, composed largely of nonprofit organizations, gained 100 jobs. Most of the growth in leisure and hospitality occurred early in the year, and the sector has shown signs of weakening in recent months.

These small gains were overshadowed by substantial losses across several key industries, including the federal government (-24,500), professional and technical services (-2,100), business services (-1,800), trade, transportation and utilities (-1,600), and information and financial services (-900). Even the typically reliable private education and healthcare sectors shed 600 jobs. Although the decline in federal employment was large, it remained broadly consistent with our September 2025 forecast.

In the third quarter of 2025, the District of Columbia's real gross state product (GSP) was estimated at $146.7 billion, an increase of 1.4 percent from the same quarter in 2024. Personal income growth has also slowed, rising 3.4 percent over the year in the third quarter, a pace that lags the national average.

D.C. Recent History

	2024q3	2024q4	2025q1	2025q2	2025q3
Real GDP (% change from prior year.)	1.0	2.1	1.6	1.2	1.4
Nominal GDP (% change from prior year)	5.2	6.3	5.4	4.8	5.1
Nominal Personal Income (% change from prior year	6.2	6.7	4.1	3.6	3.4
Wages in D.C. (% change from prior year)	3.7	6.1	4.4	3.0	2.4
D.C. Resident Wages (% change from prior year)	6.3	8.0	3.6	1.7	1.0
Employment in D.C. (% change from prior year)	0.2	0.5	-0.1	-0.5	-1.0
D.C. Resident Employment (% change from prior year)	1.4	0.7	0.7	0.6	0.0
Unemployment rate (%)	5.3	5.3	5.4	5.9	6.1
Washington area CPI (% change from prior year)	2.6	3.0	2.9	3.0	3.6

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 to 693,645 between July 2024 and July 2025, a net increase of 2,335 residents, or 0.3 percent. Most of this growth was the result of natural increase, while gains from international migration (3,915) were offset by net domestic outmigration (-4,128). The Census Bureau also revised its 2024 population estimate for the District downward, from 702,250 to 691,310. 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 of Columbia's economy, supporting roughly 10 percent of the city's workforce. According to Destination DC, the city welcomed nearly 27.2 million visitors in 2024, including 25 million domestic travelers and 2.2 million international visitors. Tourism activity, however, weakened in late 2025. Passenger traffic at the region's major airports—Ronald Reagan Washington National, Washington Dulles International, and Baltimore/Washington International—declined by 1.3 percent during the first ten months of the year compared with the same period in 2024. The hospitality sector has also slowed, with hotel occupancy in the second half of 2025 falling by 15.9 percentage points year over year, from an average of 71 percent in the second half of 2024 to 55.1 percent in the same period of 2025, accompanied by a 3.7 percent decrease in the average room rate.

Higher mortgage interest rates have slowed existing home sales 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 fourth quarter of 2025 totaled about 6,970 units at an annualized rate, near the lowest level in more than a decade. Housing starts have rebounded from a near-historic low of 1,074 units in the second quarter, reaching an annual rate of 1,838 units in the third quarter, but they remain well below the decade-long average of 4,300 units. The multifamily rental vacancy rate continues to rise, and the average rent in the fourth quarter was down 1.9 percent year over year as labor market conditions worsened.

On the brighter side, the District's revenue outlook is benefiting from strong growth in corporate earnings and capital gains. Since the adoption of mandatory combined reporting in 2012 and single-sales-factor apportionment in 2018, corporate franchise tax collections have expanded steadily, becoming a more reliable and significant component of the District's tax base. These structural changes allow the city to capture a fair share of profits generated by national corporations, many of which maintain a presence in the District due to its role as the nation's capital and a hub for major business operations. This trend is consistent with the strong performance of the broader market, as S&P 500 companies reported profit growth of roughly 17 percent in FY 2025.

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	-2.9	0.4	1.3	1.8	2.2
Nominal GDP (% change)	5.4	0.5	2.9	3.6	3.9	4.1
Nominal Personal Income (% change)	4.4	1.2	4.4	4.0	4.1	4.0
Wages in D.C. (% change)	3.9	-1.8	3.5	3.9	3.9	4.2
D.C. Resident Wages (% change)	3.5	-2.1	3.5	3.9	3.9	4.2
Population (% change)	0.5	0.2	0.0	0.1	0.3	0.4
Employment in D.C. (% change)	-0.3	-4.6	-0.6	0.2	0.5	0.8
D.C. Resident Employment (% change)	0.5	-2.4	-0.6	0.4	0.8	0.8
Unemployment rate (%)	5.7	6.8	6.8	6.5	6.2	5.9
Washington area CPI (% change)	3.1	2.8	2.9	2.5	2.3	2.3

Source: Office of Revenue Analysis September 2025 Outlook

As stated previously, the economic outlook for the District of Columbia is increasingly clouded by uncertainty. As the most government-dependent economy in the United States, the District has historically benefitted from a stabilizing federal presence that shielded it from broader private-sector fluctuations. However, this structural dependence also creates vulnerabilities. Ongoing efforts by the current administration to cut the federal workforce are expected to disproportionately affect the District and the region.

Between January and December 2025, the District recorded a net loss of 28,900 jobs, with federal employment accounting for 24,400 of those reductions. Job losses are expected to continue in FY 2026, as the federal rule to hire only 1 person for every 4 vacancies remains in effect. By 2029, we project that the District's federal payrolls will have declined by approximately 20 percent.

Combined with the relocation of key federal agencies and tighter immigration policies, these developments are likely to push the region into an economic recession.

In addition to federal job cuts, private-sector employment is beginning to soften even as the nation continues to add jobs. Healthcare payrolls have turned negative and are now below year-ago levels, and the tourism-dependent leisure and hospitality sector is also showing clear signs of weakening. This deterioration in the labor market will weigh on income growth, putting pressure on downstream consumer-facing industries. As a result, retail and other service sectors are expected to underperform the national economy.

The District's economy is now expected to enter a moderate recession in FY 2026, with real GDP projected to contract by 2.9 percent, then begin expanding in FY 2027 and return to trend growth in FY 2028 and FY 2029. Employment is forecasted to decline by 4.6 percent in FY 2026 and by an additional 0.6 percent in FY 2027. The unemployment rate is expected to rise from 5.7 percent in FY 2025 to 6.8 percent in FY 2026. Other key economic indicators have also been revised to reflect these updated trends.

Risks to the Forecast

The District of Columbia's economic outlook faces several notable risks. As a government-centric economy, the city remains highly dependent on federal employment and contracting, making the current administration's workforce policy direction a critical determinant of future economic 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. Since January 2025, the sector has shed roughly 3,900 jobs.

Also noteworthy are shifts in 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, however, 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 benefits when national capital gains and corporate profits are strong, it is equally vulnerable to a stock market crash or a decline in corporate earnings.

The office real estate market continues to pose a significant risk to the District's economic outlook, with persistently high vacancy rates remaining a major concern. In the fourth quarter of 2025, the average office vacancy rate in the central business district reached 19 percent. This elevated level is expected to persist despite the implementation of a return-to-office mandate for federal employees. Complicating the sector's recovery is the current administration's decision to terminate millions of square feet of federal leases and initiate the sale of government-owned buildings which is likely to further weaken demand. The U.S. Department of Housing and Urban Development has vacated its DC headquarters and relocated to the National Science Foundation building in Arlington, VA, and there are plans for further relocations, including for certain agencies under the Departments of Agriculture and Energy. These actions may exacerbate existing oversupply conditions and place additional downward pressure on commercial property values and leasing activity.

Rapid advances in AI pose 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 and report drafting to data extraction—are increasingly handled by agentic AI, raising the likelihood of stagnant wage growth in junior roles and a widening skills mismatch.

The prevailing risks and high levels of uncertainty create a 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 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 Vincent Gray (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	2,867,709	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
Dedicated to other funds	*-35,598*	*-15,931*	*-18,399*	*-14,119*	*-14,702*	*-15,553*
PROPERTY (NET)	2,979,220	2,851,778	2,874,902	2,938,358	3,008,271	3,094,855
SALES & EXCISE	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
Dedicated to other funds	*-588,821*	*-546,648*	*-544,942*	*-539,271*	*-546,120*	*-555,513*
SALES & EXCISE(NET)	1,585,428	1,541,897	1,692,486	1,729,314	1,787,953	1,837,979
INCOME	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
INCOME (NET)	4,840,361	4,783,304	4,879,836	5,028,310	5,188,939	5,399,860
GROSS RECEIPTS	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
Dedicated to other funds	*-294,927*	*-308,189*	*-320,210*	*-294,826*	*-262,934*	*-157,575*
GROSS RECEIPTS (NET)	264,885	267,033	271,583	302,909	324,626	311,385
OTHER TAX	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
Dedicated to other funds	*-62,415*	*-54,016*	*-55,092*	*-73,029*	*-81,173*	*-88,906*
OTHER TAX (NET)	392,976	343,557	375,776	452,198	498,808	543,116
TOTAL TAX (GROSS)	**11,044,632**	**10,712,353**	**11,033,226**	**11,372,332**	**11,713,525**	**12,004,743**
TOTAL TAX (NET)	**10,062,871**	**9,787,569**	**10,094,584**	**10,451,088**	**10,808,597**	**11,187,195**
NONTAX	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
Dedicated to other funds	*0*	*0*	*0*	*0*	*0*	*0*
NONTAX (NET)	993,334	998,293	970,213	980,901	994,816	1,003,619
LOTTERY	32,500	30,074	29,824	29,539	29,295	29,048
Dedicated to other funds	*0*	*0*	*0*	*0*	*0*	*0*
LOTTERY (NET)	32,500	30,074	29,824	29,539	29,295	29,048
GROSS REVENUE	12,070,467	11,740,720	12,033,264	12,382,772	12,737,636	13,037,410
LOCAL FUND REVENUE	11,088,706	10,815,936	11,094,621	11,461,528	11,832,708	12,219,862
OTHER FUNDS	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
PROPERTY	-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%
Dedicated to other funds	*-32.2%*	*-55.2%*	*15.5%*	*-23.3%*	*4.1%*	*5.8%*
PROPERTY (NET)	-0.2%	-4.3%	0.8%	2.2%	2.4%	2.9%
SALES & EXCISE	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%
Dedicated to other funds	*-0.8%*	*-7.2%*	*-0.3%*	*-1.0%*	*1.3%*	*1.7%*
SALES & EXCISE(NET)	6.4%	-2.7%	9.8%	2.2%	3.4%	2.8%
INCOME	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%
INCOME (NET)	13.3%	-1.2%	2.0%	3.0%	3.2%	4.1%
GROSS RECEIPTS	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%
Dedicated to other funds	*66.6%*	*4.5%*	*3.9%*	*-7.9%*	*-10.8%*	*-40.1%*
GROSS RECEIPTS (NET)	10.1%	0.8%	1.7%	11.5%	7.2%	-4.1%
OTHER TAX	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%
Dedicated to other funds	*25.1%*	*-13.5%*	*2.0%*	*32.6%*	*11.2%*	*9.5%*
OTHER TAX (NET)	20.8%	-12.6%	9.4%	20.3%	10.3%	8.9%
TOTAL TAX (GROSS)	8.4%	-3.0%	3.0%	3.1%	3.0%	2.5%
TOTAL TAX (NET)	8.1%	-2.7%	3.1%	3.5%	3.4%	3.5%
NONTAX	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%
Dedicated to other funds						
NONTAX (NET)	14.5%	0.5%	-2.8%	1.1%	1.4%	0.9%
LOTTERY	-16.2%	-7.5%	-0.8%	-1.0%	-0.8%	-0.8%
Dedicated to other funds						
LOTTERY (NET)	-16.2%	-7.5%	-0.8%	-1.0%	-0.8%	-0.8%
GROSS REVENUE	8.8%	-2.7%	2.5%	2.9%	2.9%	2.4%
LOCAL FUND REVENUE	8.5%	-2.5%	2.6%	3.3%	3.2%	3.3%
OTHER FUNDS	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 *	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
		981,761	**924,784**	**938,642**	**921,244**	**904,928**	**817,548**

** 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
1. REAL PROPERTY	2,891,406	2,744,239	2,767,502	2,824,455	2,893,133	2,978,601
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
2. GENERAL SALES	2,090,748	2,006,910	2,155,273	2,185,435	2,250,659	2,310,053
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
3. INDIVIDUAL INCOME TAX	3,605,177	3,699,357	3,709,761	3,797,535	3,929,946	4,112,002
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
1. REAL PROPERTY	-0.9%	-5.1%	0.8%	2.1%	2.4%	3.0%
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%
2. GENERAL SALES	4.4%	-4.0%	7.4%	1.4%	3.0%	2.6%
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%
3. INDIVIDUAL INCOME TAX	14.9%	2.6%	0.3%	2.4%	3.5%	4.6%
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%

Estimated Key Economic Indicators for the DC Economy - February 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	192.3	197.9	204.9	212.9	222.8
% change annual	*1.5%*	*5.5%*	*6.1%*	*5.0%*	*5.8%*	*5.4%*	*0.5%*	*2.9%*	*3.6%*	*3.9%*	*4.7%*
Real GDP-DC (2017 $billions)	137.9	142.2	143.8	142.6	144.3	146.6	142.3	143.0	144.8	147.4	151.1
% change annual	*-0.4%*	*3.1%*	*1.2%*	*-0.9%*	*1.2%*	*1.6%*	*-2.9%*	*0.4%*	*1.3%*	*1.8%*	*2.5%*
Personal Income ($billions)	60.0	64.7	67.1	72.1	76.8	80.2	81.2	84.7	88.1	91.7	95.9
% change annual	*4.6%*	*7.8%*	*3.7%*	*7.6%*	*6.5%*	*4.4%*	*1.2%*	*4.4%*	*4.0%*	*4.1%*	*4.6%*
Real Personal Income (2017 $billions)	52.1	54.0	52.1	54.2	56.7	57.8	56.9	57.7	58.7	59.8	61.2
% change annual	*2.8%*	*3.7%*	*-3.7%*	*4.0%*	*4.7%*	*2.0%*	*-1.6%*	*1.5%*	*1.6%*	*2.0%*	*2.4%*
Per capita personal income	88,837	96,735	99,505	105,880	111,311	115,698	117,329	122,680	127,621	132,565	138,027
% change annual	*6.4%*	*8.9%*	*2.9%*	*6.4%*	*5.1%*	*3.9%*	*1.4%*	*4.6%*	*4.0%*	*3.9%*	*4.1%*
Real per capita personal income (2017 $)	77,147	80,813	77,232	79,493	82,140	83,341	82,148	83,587	84,965	86,464	88,140
% change annual	*4.5%*	*4.8%*	*-4.4%*	*2.9%*	*3.3%*	*1.5%*	*-1.4%*	*1.8%*	*1.6%*	*1.8%*	*1.9%*
Wages in DC ($billions)	80	83	88	91	95	99	97	101	105	109	114
% change annual	*1.9%*	*4.3%*	*5.4%*	*4.2%*	*4.7%*	*3.9%*	*-1.8%*	*3.5%*	*3.9%*	*3.9%*	*4.7%*
Wages of DC residents ($billions)	30.9	32.3	34.7	36.9	39.5	40.9	40.1	41.5	43.1	44.7	46.9
% change annual	*2.1%*	*4.4%*	*7.4%*	*6.5%*	*7.1%*	*3.5%*	*-2.1%*	*3.5%*	*3.9%*	*3.9%*	*4.7%*
Personal Consumption Expenditure ($billions)	47.7	51.1	57.1	60.8	64.7	67.8	68.2	70.4	73.1	76.0	79.7
% change annual	*-3.3%*	*7.3%*	*11.6%*	*6.5%*	*6.4%*	*4.8%*	*0.6%*	*3.3%*	*3.7%*	*4.1%*	*4.8%*
Population (000s)	676.1	668.7	674.1	681.4	690.1	693.5	692.1	690.7	690.5	691.8	694.7
% change annual	*-1.6%*	*-1.1%*	*0.8%*	*1.1%*	*1.3%*	*0.5%*	*-0.2%*	*-0.2%*	*0.0%*	*0.2%*	*0.4%*
Households (000s)	308.7	314.6	325.4	332.8	333.6	334.0	335.6	336.5	337.7	339.4	341.7
% change annual	*-0.3%*	*1.9%*	*3.4%*	*2.3%*	*0.2%*	*0.1%*	*0.5%*	*0.3%*	*0.4%*	*0.5%*	*0.7%*
Employment in DC (000s)	762.0	728.2	757.7	765.1	768.7	766.5	731.2	727.1	728.7	732.4	739.2
% change annual	*-4.3%*	*-4.4%*	*4.0%*	*1.0%*	*0.5%*	*-0.3%*	*-4.6%*	*-0.6%*	*0.2%*	*0.5%*	*0.9%*
Federal Employment in DC (000s)	196.2	198.6	195.6	190.2	192.7	189.8	161.1	154.8	153.2	153.0	153.2
% change annual	*0.5%*	*1.2%*	*-1.5%*	*-2.7%*	*1.3%*	*-1.5%*	*-15.1%*	*-4.0%*	*-1.0%*	*-0.2%*	*0.1%*
Employment of DC residents (000s)	364.2	350.6	370.5	382.1	393.5	395.4	386.1	384.0	385.6	388.5	392.2
% change annual	*-3.3%*	*-3.7%*	*5.7%*	*3.1%*	*3.0%*	*0.5%*	*-2.4%*	*-0.6%*	*0.4%*	*0.8%*	*0.9%*
Civilian labor force (000s)	392.6	378.1	390.5	401.1	414.9	419.2	414.4	412.3	413.0	414.6	417.0
% change annual	*-1.7%*	*-3.7%*	*3.3%*	*2.7%*	*3.4%*	*1.0%*	*-1.1%*	*-0.5%*	*0.2%*	*0.4%*	*0.6%*
Unemployment rate	7.3	7.3	5.1	4.7	5.2	5.7	6.8	6.8	6.5	6.2	5.9
Housing Starts	4,809	5,438	4,397	5,145	1,306	1,436	1,858	2,000	2,031	2,126	2,188
Home Sales (000s)	10,023	12,692	11,161	7,713	6,747	6,574	7,345	8,246	8,534	8,776	9,024
% change annual	*2.0%*	*26.6%*	*-12.1%*	*-30.9%*	*-12.5%*	*-2.6%*	*11.7%*	*12.3%*	*3.5%*	*2.8%*	*2.8%*
Avg Home Sale Price (000s)	921.3	950.4	945.6	898.8	900.0	902.2	880.2	876.8	887.3	909.8	943.8
% change annual	*4.3%*	*3.2%*	*-0.5%*	*-4.9%*	*0.1%*	*0.2%*	*-2.4%*	*-0.4%*	*1.2%*	*2.5%*	*3.7%*
Multifamily residential average rent per unit ($)	2,209	2,202	2,313	2,363	2,407	2,440	2,380	2,364	2,398	2,443	2,494
% change annual	*0.3%*	*-0.3%*	*5.1%*	*2.1%*	*1.9%*	*1.4%*	*-2.5%*	*-0.7%*	*1.4%*	*1.9%*	*2.1%*
CBD office Vacancy rate	12.2%	14.3%	15.7%	17.2%	18.3%	18.4%	19.0%	19.1%	18.9%	18.7%	18.2%
SP 500 Stock Index	15.2%	29.4%	-16.3%	16.1%	32.2%	14.6%	0.8%	-3.6%	-1.1%	0.3%	0.2%
US 10 Year Treasury	1.1	1.3	2.4	3.8	4.2	4.3	4.1	4.1	4.1	4.1	4.1
Washington Area CPI: % change prior year	1.5%	4.2%	7.2%	5.1%	3.3%	3.1%	2.8%	2.9%	2.5%	2.3%	2.6%

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).