

STATE OF OREGON
LEGISLATIVE REVENUE OFFICE
PUBLIC SERVICE BUILDING (Temporary Location)
255 CAPITOL ST NE | 5TH FLOOR
SALEM, OREGON 97310
PHONE (503) 986-1266

Chris Allanach, Legislative Revenue Officer

LRO FORECAST SUMMARY

September 2025

NEW FACTS SINCE THE LAST FORECAST

	2nd Qtr 2025 Forecast	2nd Qtr 2025 Actuals	Difference
Employment	1,992,605	1,973,565	-19,040
Personal Income (\$ billion)	316.6	318.6	2.1
Personal Income Tax (\$ million)			
Withholding	2,836.9	2,843.9	7.0
Other Payments less Refunds	2,303.9	2,060.7	-243.3
Total	5,140.9	4,904.6	-236.3
Corporate Income Tax (\$ million)	625.5	609.5	-16.0

NEW FACTS

- Second Quarter personal income tax collections came in \$236.3 million (-4.6%) below the June 2025 forecast.
- Second Quarter corporate income tax collections came in \$16.0 (-2.6%) million below the June 2025 forecast.
- Second Quarter Oregon personal income was \$2.1 billion (0.6%) above the June 2025 forecast.
- Second Quarter Oregon employment was 19,040 jobs (-1.0%) below the June 2025 forecast.

LRO: 8/27/2025

Forecast 0925.xlsx

2023-25

CHANGE FROM CLOSE OF SESSION (\$ Million)

General Fund Resources	Close of Session	September 2025 Forecast	Difference
Beginning Balance	7,493.5	8,084.8	591.3
Transfer to Rainy Day Fund	-308.4	-264.7	43.6
Personal	21,019.7	22,169.4	1,149.7
Corporate	2,228.9	3,150.8	921.8
Other	2,011.3	2,302.9	291.6
Gross GF Revenue	25,259.9	27,623.1	2,363.2
Shared Services Fund	-37.0	-105.0	-68.0
Rainy Day Fund	-91.6	-133.8	-42.2
PERS UAL Fund	0.0	0.0	0.0
Net GF Revenue	25,131.3	27,384.3	2,253.0
Lottery Resources*	1,919.4	1,943.6	24.2
Anticipated Administrative Actions**	0.0	0.0	0.0
Net GF and Lottery Resources	34,235.8	37,147.9	2,912.1

* All lottery resources including dedicated funds.

** Administrative Actions equal expenses associated with cash flow management, exclusive of internal borrowing.

CHANGE SINCE CLOSE OF SESSION

- Personal income tax revenue is up \$1,149.7 million (5.5%) from the 2023 COS estimate.
- Corporate tax revenue is up \$921.8 million (41.4%) from the 2023 COS estimate.
- General Fund gross revenue is up \$2,363.2 million (9.4%) from the 2023 COS estimate.
- Net GF and Lottery resources are up \$2,912.1 million (8.5%) from the 2023 COS estimate.

EFFECT ON 2% KICKER

(\$ Million)

Revenue Source	Close of Session	2% Kicker Threshold	September 2025 Forecast	Amount +/- Kicker Threshold
Personal & Other	23,031.0	23,491.6	24,441.4	949.8
Corporation***	2,204.3	2,248.4099	3,125.9	877.5

*** As per the AG, the corporate kicker calculation excludes the minimum tax paid by S-corporations because it is a flat tax.

KICKER REFUNDS IMPLIED BY FORECAST

PERSONAL: A personal kicker of \$1,410.4 million is projected for 2025-27.

CORPORATE: \$921.6 million of corporate tax revenue is projected to be dedicated to K-12 education spending in 2025-27.

2023-25

CHANGE FROM PRIOR FORECAST
(\$ Million)

Combined Revenue	June 2025 Forecast	September 2025 Forecast	Difference
Beginning Balance	8,084.8	8,084.8	0.0
Transfer to Rainy Day Fund	-264.7	-264.7	0.0
Personal	22,425.2	22,169.4	-255.7
Corporate	3,144.8	3,150.8	6.0
Other	2,275.9	2,302.9	27.0
Gross GF Revenue	27,845.9	27,623.1	-222.8
Shared Services Fund	-102.2	-105.0	-2.8
Rainy Day Fund	-135.0	-133.8	1.2
PERS UAL Fund	0.0	0.0	0.0
Net GF Revenue	27,608.7	27,384.3	-224.4
Administrative Actions*	0.0	0.0	0.0
Net General Fund Resources	35,428.7	35,204.4	-224.4
Lottery Resources**	1,943.6	1,943.6	0.0
Net GF and Lottery Resources	37,372.3	37,147.9	-224.4
Select Other Taxes			
Corporate Activity**	2,735.3	2,760.3	25.0
Marijuana**	305.4	305.4	0.0

* Administrative Actions equal expenses associated with cash flow management, exclusive of internal borrowing.

** All receipts including dedicated funds.

REVENUE CHANGES

- Projected 2023-25 Net General Fund resources are down \$224.4 million (-0.6%) from the June 2025 forecast.
- Projected 2023-25 Lottery resources are unchanged from the June 2025 forecast.
- Projected combined net General Fund and Lottery resources are down \$224.4 million (-0.6%) from the June 2025 forecast.

2023-25

EFFECT ON ENDING BALANCE

Current vs. Close of Session
(\$ Million)

General Fund	Close of Session	September 2025 Forecast	Difference
Beginning Balance	7,493.5	8,084.8	591.3
Transfer to Rainy Day Fund	-308.4	-264.7	43.6
Revenue	25,131.3	27,384.3	2,253.0
Administrative Actions	0.0	0.0	0.0
Total Resources	32,316.4	35,204.4	2,888.0
Appropriations / Expenditures	31,873.6	33,185.7	1,312.1
Ending Balance	442.8	2,018.7	1,575.9
Rainy Day Fund Transfer	318.7	331.9	13.1
Remaining Balance	124.1	1,686.8	1,562.7

ENDING BALANCE

- The projected ending balance is up \$1,575.9 million from the 2023 Close-of-Session estimate.
- The projected ending balance is down \$153.8 million (-7.1%) from the June 2025 forecast.
- The Rainy Day Fund is projected to receive \$331.9 million following the 2023-25 biennium.

Current vs. Prior Forecast
(\$ Million)

General Fund	June 2025 Forecast	September 2025 Forecast	Difference
Beginning Balance	8,084.8	8,084.8	0.0
Transfer to Rainy Day Fund	-264.7	-264.7	0.0
Revenue	27,608.7	27,384.3	-224.4
Administrative Actions	0.0	0.0	0.0
Total Resources	35,428.7	35,204.4	-224.4
Appropriations / Expenditures	33,256.2	33,185.7	-70.6
Ending Balance	2,172.5	2,018.7	-153.8
Rainy Day Fund Transfer	332.6	331.9	-0.7
Remaining Balance	1,839.9	1,686.8	-153.1

2025-27

CHANGE FROM CLOSE OF SESSION (\$ Million)

General Fund Resources	Close of Session	September 2025 Forecast	Difference
Beginning Balance	2,243.1	2,018.7	-224.4
Transfer to Rainy Day Fund	0.0	0.0	0.0
Personal	30,247.1	29,961.7	-285.3
Corporate	3,430.5	3,063.9	-366.7
Other	2,082.2	2,106.4	24.2
Gross GF Revenue	35,759.8	35,131.9	-627.9
Shared Services Fund	-67.0	-69.2	-2.2
Rainy Day Fund	-139.9	-131.0	8.9
PERS UAL Fund	0.0	0.0	0.0
Net GF Revenue	35,552.9	34,931.8	-621.1
Lottery Resources*	1,932.4	1,823.1	-109.2
Anticipated Administrative Actions**	0.0	0.0	0.0
Net GF and Lottery Resources	39,728.3	38,773.6	-954.7

* All receipts including dedicated funds.

** Administrative Actions equal expenses associated with cash flow management, exclusive of internal borrowing.

CHANGE SINCE CLOSE OF SESSION

- Personal income tax revenue is down \$285.3 (-0.9%) million from the 2025 COS estimate.
- Corporate tax revenue is down \$366.7 million (-10.7%) from the 2025 COS estimate.
- General Fund gross revenue is down \$627.9 million (-1.8%) from the 2025 COS estimate.
- Net GF and Lottery resources are down \$954.7 million (-2.4%) from the 2025 COS estimate.

EFFECT ON 2% KICKER

(\$ Million)

Revenue Source	Close of Session	2% Kicker Threshold	September 2025 Forecast	Amount +/- Kicker Threshold
Personal & Other	32,329.3	32,975.8	32,068.1	-907.8
Corporation***	3,406.4	3,474.5	3,039.7	-434.8

*** As per the AG, the corporate kicker calculation excludes the minimum tax paid by S-corporations because it is a flat tax.

KICKER REFUNDS IMPLIED BY FORECAST

PERSONAL: There is no personal kicker projected for 2027.

CORPORATE: There is no corporate kicker projected to be transferred to K-12 education spending in 2027-29.

2025-27

CHANGE FROM PRIOR FORECAST

(\$ Million)

Combined Revenue	June 2025 Forecast	September 2025 Forecast	Difference
Beginning Balance	2,172.5	2,018.7	-153.8
Transfer to Rainy Day Fund	-334.7	0.0	334.7
Personal	30,302.8	29,961.7	-341.1
Corporate	3,431.6	3,063.9	-367.7
Other	2,043.1	2,106.4	63.2
Gross GF Revenue	35,777.5	35,131.9	-645.6
Shared Services Fund*	-67.0	-69.2	-2.2
Rainy Day Fund	-139.9	-131.0	8.9
PERS UAL Fund	0.0	0.0	0.0
Net GF Revenue	35,570.6	34,931.8	-638.9
Administrative Actions**	0.0	0.0	0.0
Net General Fund Resources	37,408.4	36,950.5	-458.0
Lottery Resources***	1,932.4	1,823.1	-109.2
Net GF and Lottery Resources	39,340.8	38,773.6	-567.2
Select Other Taxes			
Corporate Activity***	3,071.7	3,067.4	-4.3
Marijuana***	320.0	313.8	-6.2

* Includes Ballot Measure 110 savings transfer

** Administrative Actions equal expenses associated with cash flow management, exclusive of internal borrowing.

*** All receipts including dedicated funds.

REVENUE CHANGES

- Projected 2025-27 Net General Fund Resources are down \$458.0 million (-1.2%) from the June 2025 forecast.
- Projected 2025-27 Lottery resources are down \$109.2 million (-5.7%) from the June 2025 forecast.
- Projected combined net General Fund and Lottery Resources are down \$567.2 million (-1.4%) from the June 2025 forecast.

2025-27

EFFECT ON ENDING BALANCE

Current vs. Close of Session
(\$ Million)

General Fund	Close of Session	September 2025 Forecast	Difference
Beginning Balance	2,243.1	2,018.7	-224.4
Transfer to Rainy Day Fund	0.0	0.0	0.0
Revenue	35,552.9	34,931.8	-621.1
Administrative Actions	0.0	0.0	0.0
Total Resources	37,795.9	36,950.5	-845.5
Appropriations / Expenditures	37,323.1	37,323.1	0.0
Ending Balance	472.8	-372.7	-845.5
Rainy Day Fund Transfer	373.2	0.0	-373.2
Remaining Balance	99.6	-372.7	-472.2

ENDING BALANCE

- The projected ending balance is down \$845.5 million from the 2025 Close-of-Session estimate.

2025-27

Reserve Fund Position

	Education Stability Fund *	Rainy Day Fund	General Fund	Reserves Available
	(\$ Millions)			
Beginning Balance	\$1,012.1	\$1,911.2		\$2,923.4
Deposits	\$253.1	\$131.0		\$384.1
Interest	\$85.6	\$115.8		\$201.4
Withdrawals	\$89.4	\$0.0		\$89.4
Projected Ending Balance	\$1,261.4	\$2,158.0		\$3,419.4

*Excludes funds in the Oregon Growth and the Oregon Resource and Technology Development subaccounts.

2027-29

CHANGE FROM PRIOR FORECAST

(\$ Million)

Combined Revenue	June 2025 Forecast	September 2025 Forecast	Difference
Personal	35,702.7	35,582.4	-120.4
Corporate	3,666.3	3,566.6	-99.7
Other	2,173.5	2,233.4	59.9
Gross GF Revenue	41,542.6	41,382.4	-160.2
Shared Services Fund*	-68.1	-69.2	-1.1
Rainy Day Fund	-149.4	-152.5	-3.0
PERS UAL Fund	0.0	0.0	0.0
Net GF Revenue	41,325.1	41,160.7	-164.3
Lottery Resources**	2,019.8	1,793.4	-226.4
Net GF and Lottery Resources	43,344.9	42,954.1	-390.7
Select Other Taxes			
Corporate Activity**	3,428.6	3,468.5	39.8
Marijuana**	355.7	347.7	-8.0

* Includes Ballot Measure 110 savings transfer

** All receipts including dedicated funds

2029-31

CHANGE FROM PRIOR FORECAST

(\$ Million)

Combined Revenue	June 2025 Forecast	September 2025 Forecast	Difference
Personal	39,780.1	40,192.9	412.8
Corporate	3,845.6	3,818.1	-27.6
Other	2,455.2	2,538.1	82.9
Gross GF Revenue	46,081.0	46,549.1	468.2
Shared Services Fund*	-37.5	-37.5	0.0
Rainy Day Fund	-156.8	-163.2	-6.5
PERS UAL Fund	0.0	0.0	0.0
Net GF Revenue	45,886.7	46,348.4	461.7
Lottery Resources**	2,156.9	2,002.3	-154.6
Net GF and Lottery Resources	48,043.6	48,350.7	307.1
Select Other Taxes			
Corporate Activity**	3,767.5	3,789.5	22.0
Marijuana**	389.6	380.7	-8.9

* Includes Ballot Measure 110 savings transfer

** All receipts including dedicated funds

2031-33

CHANGE FROM PRIOR FORECAST

(\$ Million)

Combined Revenue	June 2025 Forecast	September 2025 Forecast	Difference
Personal	44,160.7	44,868.2	707.6
Corporate	4,171.1	4,172.1	1.1
Other	2,786.6	2,922.5	135.9
Gross GF Revenue	51,118.4	51,962.9	844.5
Shared Services Fund*	-11.0	-11.0	0.0
Rainy Day Fund	-170.0	-178.3	-8.3
PERS UAL Fund	0.0	0.0	0.0
Net GF Revenue	50,937.4	51,773.6	836.2
Lottery Resources**	2,310.7	2,153.0	-157.7
Net GF and Lottery Resources	53,248.1	53,926.6	678.5
Select Other Taxes			
Corporate Activity**	4,127.8	4,145.9	18.0
Marijuana**	424.7	414.9	-9.7

* Includes Ballot Measure 110 savings transfer

** All receipts including dedicated funds

Biennial Net Revenue Growth: 1993 - 2035

	Personal	Corporate	Other	Total
1993-95 to 1995-97	17.1%	18.8%	28.4%	18.3%
1995-97 to 1997-99	13.0%	-13.9%	-17.6%	7.7%
1997-99 to 1999-01	22.6%	28.2%	2.8%	21.5%
1999-01 to 2001-03	-11.9%	-44.4%	97.9%	-7.5%
2001-03 to 2003-05	16.8%	52.5%	-35.4%	11.4%
2003-05 to 2005-07	22.8%	31.7%	6.4%	22.1%
2005-07 to 2007-09	-8.6%	-18.9%	10.2%	-8.0%
2007-09 to 2009-11	3.7%	20.9%	29.8%	6.8%
2009-11 to 2011-13	15.7%	6.8%	-4.1%	13.1%
2011-13 to 2013-15	14.8%	25.0%	-12.4%	13.2%
2013-15 to 2015-17	15.4%	8.1%	25.2%	15.5%
2015-17 to 2017-19	17.1%	39.4%	3.9%	17.6%
2017-19 to 2019-21	6.3%	13.6%	25.5%	8.0%
2019-21 to 2021-23	28.4%	60.0%	15.3%	30.0%
2021-23 to 2023-25	-13.9%	-0.4%	18.8%	-10.5%
2023-25 to 2025-27	35.5%	-2.8%	-8.5%	27.6%
2025-27 to 2027-29	18.8%	16.4%	6.0%	17.8%
2027-29 to 2029-31	13.1%	7.1%	13.6%	12.6%
2029-31 to 2031-33	11.7%	9.3%	15.1%	11.7%
2031-33 to 2033-35	11.8%	10.9%	17.2%	12.0%