

News Release

Board of Revenue Estimates Approves Downward Adjustments for FY 2025 and FY 2026 Forecasts

Write-down reflects potential losses in revenue associated with reductions in the federal workforce, other actions by the Trump Administration impacting Maryland

ANNAPOLIS, Md. (March 6, 2025) – The Maryland Board of Revenue Estimates (BRE) today voted to write down state revenue projections for Fiscal Year 2025 (FY 25) to \$25.1 billion, an increase of 1.1% over Fiscal Year 2024 (FY 24) actual revenue, and \$25.2 billion in Fiscal Year 2026 (FY 26), an increase of 0.1% over previously projected FY 25 revenue.

The revised general forecast for FY 25 is .42% lower than the December estimate approved by the Board, and the FY 26 is .68% lower than the initial FY 26 estimate approved in December. The approved forecast reduces revenues by \$280 million across FY 25 and FY 26, roughly 1%. The change is driven primarily by the loss of thousands of federal jobs and the potential for more reductions in the federal workforce that are expected to adversely impact the state's income tax collection over time.

Comptroller Brooke E. Lierman, who chairs the Board, described the adjustments to the FY 25 and FY 26 revenue forecasts as the fiscally prudent approach and cautioned that it is still too soon to predict exactly how actions by the Trump Administration, including tariffs and federal workforce layoffs will impact the state.

"I don't think these numbers convey the challenge our region's economy is facing or the impossible task of estimating how the chaotic actions of the Trump Administration are going to affect us. No accurate economic model exists to predict President Trump's behavior," Comptroller Lierman said. "These write-downs are entirely a preemptive defensive move. To date, we have not seen reductions in our withholding revenues, but we know they are coming."

Comptroller Lierman also noted that decisions by the Trump administration to cut federal funding to a range of nonprofit organizations in Maryland, including Johns Hopkins University and Catholic Relief Services, will have wide-reaching impacts on the State of Maryland. Nonprofit organizations [support](#) 13% of private sector jobs in Maryland.

The Office of the Comptroller is asking nonprofits in Maryland to [report](#) interruptions in their federal loans and grants to help the agency better understand the scope and impact of federal funding cuts. Since FY 23, Maryland has received at least \$64 billion in grants from the federal government, impacting dozens of state agencies that financially support the work of nonprofits, including direct services providers.

“We have to be clear-eyed about the challenges ahead; these slash-and-burn cuts to federal agencies and public safety infrastructure in this country will harm Americans in all different ways.” Comptroller Lierman shared federal employees “do the work of keeping Americans safe, secure, and informed. Federal workers ensure food is safe to eat, that bridges and roads are built and maintained, that our air is clean, and when disaster strikes, that we are aware it’s coming in advance and have help afterward.”

Comptroller Lierman also referenced a proposal to cut the IRS’ 90,000-person workforce in half, saying it could negatively impact the state’s ability to collect revenues. She called the plan, “the dream of every tax cheat and a disservice to every law-abiding American and Marylander.”

The Bureau of Revenue Estimates will continue to monitor a range of information, including state and federal data, national spending data for goods and services purchased by the federal government, and Worker Adjustment and Retraining Notification Act (WARN Act) notices to better quantify the impact Maryland experiences in the coming months.

The forecasts approved by the BRE reflect revenue sources contributing to Maryland’s General Fund, including personal income, corporate, and sales and use taxes. General Fund revenues account for 40% of annual state revenues. The BRE’s forecast is based on the most up-to-date information, including year-to-date revenue data, projections from national economic consulting firms, and econometric models.

Materials from the Board of Revenue Estimates’ meeting will be available later this afternoon at this link: <https://mdbre.gov/revenue-estimates.php>.

The Bureau of Revenue Estimates serves as economic staff for the Comptroller and staff for the Board of Revenue Estimates. As such, the Bureau forecasts and analyzes the State and national economies; forecasts, analyzes, and monitors State revenues; and analyzes the effects of State and federal tax legislation on the State’s revenues. In addition, the Bureau provides updates and analyses of the State’s economy, revenue

performance, and revenue forecasts to the bond rating agencies prior to every bond sale and otherwise as conditions warrant. For more information, visit <https://www.marylandtaxes.gov/divisions/bre.php>.

Members of the Board of Revenue Estimates:

Comptroller Brooke E. Lierman, Chair

Treasurer Dereck E. Davis

Department of Budget and Management Secretary Helene T. Grady

Bureau of Revenue Estimates Director Robert J. Rehrmann is the Board's Executive Secretary.

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