

# PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY 27, 2025

New Issue

This Official Statement provides information about the Bonds. Some of the information appears on this cover page for ready reference. To make an informed investment decision, a prospective investor should read the entire Official Statement, including all appendices attached hereto.

**\$253,905,000\***

## STATE OF WISCONSIN GENERAL OBLIGATION BONDS OF 2025, SERIES A

**Dated: Date of Delivery**

**Due: May 1, as shown below**

**Ratings** Kroll Bond Rating Agency, LLC  
Moody's Investors Service, Inc.  
S&P Global Ratings

**Tax Exemption** Interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (**Code**) and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals under the Code; however, interest on the Bonds is included in determining the "adjusted financial statement income" of certain corporations on which the federal alternative minimum tax is imposed under the Code—*See page 8*.

Interest on the Bonds is not exempt from current State of Wisconsin income or franchise taxes—*See page 10*.

**Redemption\*** The Bonds maturing on or after May 1, 2035 are callable at par on May 1, 2034 or on any date thereafter—*See page 2*.

The Bonds maturing on May 1, are subject to mandatory sinking fund redemption at par—*See page 3*.

**Security** General obligations of the State of Wisconsin—*See page 2*.

**Purpose** Bond proceeds are being used for various general governmental purposes—*See page 4*.

**Interest Payment Dates** May 1 and November 1

**First Interest Payment Date** November 1, 2025

**Denominations** Multiples of \$5,000

**Closing/Settlement** On or about , 2025

**Bond Counsel** Foley & Lardner LLP

**Registrar/Paying Agent** Secretary of Administration

**Issuer Contact** Wisconsin Capital Finance Office  
(608) 267-1836; [DOACapitalFinanceOffice@wisconsin.gov](mailto:DOACapitalFinanceOffice@wisconsin.gov)

**Book-Entry System** The Depository Trust Company—*See page 4*.

**2024 Annual Report** This Official Statement incorporates by reference, and makes updates and additions to, Parts I, II, and III of the State of Wisconsin Continuing Disclosure Annual Report, dated December 20, 2024—*See page 11 and APPENDIX A*.

The Bonds were sold at competitive sale on , 2025. The interest rates payable by the State, which are shown below, resulted from the award of the Bonds.

CUSIP (97705M)	Due (May 1)*	Principal Amount	Interest Rate	First Optional Call Date (May 1)*	Call Price*
	2026	\$9,425,000		Not Callable	—
	2027	9,685,000		Not Callable	—
	2028	9,980,000		Not Callable	—
	2029	10,300,000		Not Callable	—
	2030	10,650,000		Not Callable	—
	2031	11,035,000		Not Callable	—
	2032	11,455,000		Not Callable	—
	2033	11,925,000		Not Callable	—
	2034	12,425,000		Not Callable	—
	2035	13,090,000		2034	100%
	2036	143,935,000		2034	100

**Purchase Price: \$**

, 2025

\* Preliminary; subject to change. The Capital Finance Director will most likely, after selection of the winning bid, adjust the principal amounts of some or all maturities, or mandatory sinking fund payments, which could change the aggregate par amount of the Bonds. See "Adjustment of Principal Amounts and Purchase Price" in the Official Notice of Sale. In addition, each bid must specify whether the principal amount of Bonds payable on a particular date will be a payment at maturity of a serial bond or a mandatory sinking fund payment of a term bond.

**ELECTRONIC BIDS FOR THE BONDS WILL BE RECEIVED AT 9:45 AM (CENTRAL TIME)  
ON MARCH 5, 2025**

THIS PRELIMINARY OFFICIAL STATEMENT, which is in a form "deemed final" by the State as of this date except for the omission of information described in Rule 15c2-12(b)(1) under the Securities Exchange Act of 1934, IS SUBJECT TO REVISION, AMENDMENT, AND COMPLETION IN A FINAL OFFICIAL STATEMENT. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

This document is called an official statement because it is the only document the State has authorized for providing information about the Bonds. This document is not an offer or solicitation for the Bonds, and no unlawful offer, solicitation, or sale may occur through the use of this document or otherwise. Prospective investors should consult their advisors and legal counsel with questions about this document, the Bonds, and anything else related to the offering.

The purpose of this document is to provide prospective investors with information that may be important in making an investment decision. It may not be used for any other purpose without the State's permission. The State is the author of this document and is responsible for its accuracy and completeness. The Underwriters are not the authors of this document. In accordance with their responsibilities under federal securities laws, the Underwriters are required to review the information in this document and must have a reasonable basis for their belief in the accuracy and completeness of its key representations.

Certain statements in this document are forward-looking statements that are based on expectations, estimates, projections, or assumptions. Forward-looking statements contained in this document are made as of the date hereof, and the State undertakes no obligation to update such statements to reflect subsequent events or circumstances. Actual results could differ materially from the anticipated results.

Some of the people who prepared, compiled, or reviewed the information in this document had specific functions that covered some of its aspects but not others. For example, financial staff may have been asked to assist with quantitative financial information, and legal counsel, with specific documents or legal issues.

No dealer, broker, sales representative, or other person has been authorized by the State to give any information or to make any representations about the Bonds other than what is in this document. The information and expressions of opinion in this document may change without notice. The delivery of this document or any sale of the Bonds does not imply that there has been no change in the matters contained in this document since the date of this document. Material referred to in this document is not part of this document unless expressly incorporated.

The Bonds will not be registered under the Securities Act of 1933, as amended, or the securities laws of any state of the United States, and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state, municipal, or other governmental entity has passed upon the accuracy or adequacy of this Official Statement.

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# STATE OFFICIALS PARTICIPATING IN ISSUANCE AND SALE OF BONDS

## BUILDING COMMISSION MEMBERS\*

### Voting Members

Governor Tony Evers, Chairperson	Term of Office Expires January 4, 2027
Representative Rob Swearingen, Vice Chairperson	January 4, 2027
Senator André Jacque	January 4, 2027
Senator Mary Felzkowski	January 3, 2029
Senator Brad Pfaff	January 3, 2029
Representative Jill Billings	January 4, 2027
Representative Robert Wittke	January 4, 2027
Ms. Barb Worcester, Citizen Member	At the pleasure of the Governor

### Nonvoting, Advisory Member

Mr. Kevin Trinastic, State Ranking Architect Department of Administration	—
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### Building Commission Secretary

Ms. Naomi De Mers, Administrator Division of Facilities Development Department of Administration	At the pleasure of the Building Commission and the Secretary of Administration
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## OTHER PARTICIPANTS

Mr. Joshua L. Kaul State Attorney General	January 4, 2027
Ms. Kathy K. Blumenfeld, Secretary Department of Administration	At the pleasure of the Governor

## DEBT MANAGEMENT AND DISCLOSURE

Department of Administration  
Capital Finance Office  
101 E. Wilson Street, FLR 10  
P.O. Box 7864  
Madison, WI 53707-7864  
[DOACapitalFinanceOffice@wisconsin.gov](mailto:DOACapitalFinanceOffice@wisconsin.gov)

Mr. Aaron Heintz  
Capital Finance Director  
(608) 267-1836

Ms. Katherine Miller  
Deputy Capital Finance Director  
(608) 266-2305

Ms. Andrea Ceron  
Capital Finance Officer  
(608) 267-0374

Ms. Amy Johnson  
Capital Finance Officer  
(608) 267-0739

Ms. Jessica Fandrich  
Capital Finance Officer  
(608) 267-2734

Ms. Rachel Liegel  
Capital Finance Officer  
(608) 267-7399

\* The Building Commission is composed of eight voting members. The Governor serves as the chairperson. Each house of the Wisconsin State Legislature appoints three members. State law provides for the two major political parties to be represented in the membership from each house. One citizen member is appointed by the Governor and serves at the Governor's pleasure.

## SUMMARY DESCRIPTION OF BONDS

*Selected information is presented on this page for the convenience of the reader. To make an informed investment decision regarding the Bonds, a prospective investor should read the entire Official Statement.*

Description:	State of Wisconsin General Obligation Bonds of 2025, Series A
Principal Amount:	\$253,905,000*
Denominations:	Multiples of \$5,000
Date of Issue:	Date of delivery (on or about                      , 2025)
Record Date:	April 15 and October 15
Interest Payments:	May 1 and November 1, beginning November 1, 2025
Maturities:	May 1, 2026-2045*— <i>See front cover.</i>
Redemption*:	<i>Optional</i> —The Bonds maturing on or after May 1, 2035 are callable at par on May 1, 2034 or on any date thereafter— <i>See page 2.</i> <i>Sinking Fund</i> —The Bonds maturing on May 1,            are subject to mandatory sinking fund redemption at par— <i>See page 3.</i>
Form:	Book-entry-only— <i>See page 4.</i>
Paying Agent:	All payments of principal of, and interest on, the Bonds will be paid by the Secretary of Administration. All payments will be made to The Depository Trust Company, which will distribute payments to DTC Participants as described herein.
Security:	The Bonds are general obligations of the State of Wisconsin. As of February 1, 2025, general obligations of the State were outstanding in the principal amount of \$6,754,033,000.
Additional General Obligation Debt:	The State may issue additional general obligation debt— <i>See page 5.</i>
Authority for Issuance:	The Bonds are authorized by Article VIII of the Wisconsin Constitution and Chapters 18 and 20 of the Wisconsin Statutes.
Purpose:	Acquisition, construction, development, extension, enlargement, or improvement of land, waters, property, highways, buildings, equipment, or facilities for public purposes.
Legality of Investment:	State law provides that the Bonds are legal investments for all banks, trust companies, bankers, savings banks and institutions, building and loan associations, savings and loan associations, credit unions, investment companies, and other persons or entities carrying on a banking business; for all personal representatives, guardians, trustees, and other fiduciaries; and for the State and all public officers, municipal corporations, political subdivisions, and public bodies.
Tax Exemption:	Interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Code and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals under the Code; however, interest on the Bonds is included in determining the “adjusted financial statement income” of certain corporations on which the federal alternative minimum tax is imposed under the Code— <i>See page 8.</i>  Interest on the Bonds is not exempt from current State of Wisconsin income or franchise taxes— <i>See page 10.</i>
Legal Opinion:	Validity and tax opinion to be provided by Foley & Lardner LLP— <i>See page C-1.</i>
2024 Annual Report:	This Official Statement incorporates by reference, and makes updates and additions to, Parts I, II, and III of the State of Wisconsin Continuing Disclosure Annual Report, dated December 20, 2024— <i>See page 11 and APPENDIX A.</i>
Bidding Requirements:	A bid must be for all of the Bonds. The award will be made at the lowest true-interest-cost rate for the Bonds calculated to the expected delivery date— <i>See Official Notice of Sale.</i>

\* Preliminary; subject to change. In addition, each bid must specify whether the principal amount of Bonds payable on a particular date will be a payment at maturity of a serial bond or a mandatory sinking fund payment of a term bond.

**OFFICIAL STATEMENT**  
**\$253,905,000\***  
**STATE OF WISCONSIN**  
**GENERAL OBLIGATION BONDS OF 2025, SERIES A**  
**INTRODUCTION**

This Official Statement provides information about the \$253,905,000\* General Obligation Bonds of 2025, Series A (**Bonds**), which are being issued by the State of Wisconsin (**State**). This Official Statement incorporates by reference, and makes updates and additions to, **Parts I, II, and III** of the State of Wisconsin Continuing Disclosure Annual Report, dated December 20, 2024 (**2024 Annual Report**).

The Bonds are authorized under the Wisconsin Constitution and the Wisconsin Statutes, and are being issued pursuant to 2025 State of Wisconsin Building Commission Resolution 1, adopted on February 27, 2025 by the State of Wisconsin Building Commission (**Commission**).

The Commission, an agency of the State, is empowered by law to authorize, issue, and sell all the State's general obligations. The Commission is assisted and staffed by the State of Wisconsin Department of Administration (**Department of Administration**).

The Commission has authorized the Department of Administration to prepare this Official Statement. This Official Statement contains information furnished by the State or obtained from the sources indicated.

**THE STATE**

The State is located in the Midwest among the northernmost tier of states. The State ranks 20th among the states in population and 25th in land area. Wisconsin attained statehood in 1848, its capital is Madison, and its largest city is Milwaukee.

Information concerning the State, its financial condition, and its general obligation debt is included as **APPENDIX A**, which incorporates by reference **Parts II and III** of the 2024 Annual Report. **APPENDIX A** also makes updates and additions to Part II of the 2024 Annual Report, including:

- Estimated General Fund condition statement for the 2024-25 fiscal year and estimated General Fund tax collections for the 2025-26 and 2026-27 fiscal years, as included in a report provided by the Legislative Fiscal Bureau (**LFB**) on January 29, 2025 (**January 2025 LFB Report**).
- General Fund information for the 2024-25 fiscal year through January 31, 2025, which is presented on either a cash basis or an agency-recorded basis, and projected General Fund information for the remainder of the 2024-25 fiscal year, which is presented on a cash basis.
- Information about the executive budget for the 2025-27 biennium.

\*Preliminary; subject to change.

Requests for additional information about the State may be directed to:

*Contact:* Capital Finance Office  
Attn: Capital Finance Director  
*Phone:* (608) 267-1836  
*Mail:* State of Wisconsin Department of Administration  
101 East Wilson Street, FLR 10  
P.O. Box 7864  
Madison, WI 53707-7864  
*E-mail:* [DOACapitalFinanceOffice@wisconsin.gov](mailto:DOACapitalFinanceOffice@wisconsin.gov)  
*Websites:* [doa.wi.gov/capitalfinance](http://doa.wi.gov/capitalfinance)  
[wisconsinbonds.com](http://wisconsinbonds.com)

## THE BONDS

### General

The **front cover of this Official Statement** sets forth the maturity dates, principal amounts, interest rates, and redemption provisions for the Bonds. The Bonds are being issued in book-entry-only form, so the registered owner will be a securities depository or its nominee. The Commission has appointed The Depository Trust Company, New York, New York (**DTC**), as the securities depository for the Bonds. See **“THE BONDS; Book-Entry-Only Form”**.

The Bonds will be dated their date of delivery (expected to be \_\_\_\_\_, 2025) and will bear interest from that date, payable on May 1 and November 1 of each year, beginning on November 1, 2025.

Interest on the Bonds will be computed on the basis of a 360-day year of twelve 30-day months. So long as the Bonds are in book-entry-only form, payments of the principal of, and interest on, each Bond will be paid to the securities depository.

The Bonds are being issued as fully-registered bonds in principal denominations of \$5,000 or multiples of \$5,000.

### Security

The Bonds are direct and general obligations of the State. The Wisconsin Constitution pledges the full faith, credit, and taxing power of the State to make principal and interest payments on general obligations, and requires the Legislature to provide for their payment by appropriation. The Wisconsin Statutes establish, as security for the payment of all debt service on general obligations, a first charge upon all revenues of the State. Further, a sufficient amount of those revenues is irrevocably appropriated for the payment of the principal of, and interest on, general obligations, so that no subsequent legislative action is required to release such revenues. The Bonds are secured on parity with all other outstanding general obligations issued by the State.

### Redemption Provisions\*

#### *Optional Redemption or Purchase*

The Bonds maturing on or after May 1, 2035 may be redeemed on May 1, 2034 or on any date thereafter, in whole or in part in multiples of \$5,000, at a redemption price equal to 100% of the principal amount to be redeemed, plus accrued interest to the redemption date. The Commission may decide whether to redeem the Bonds, and the Capital Finance Director of the State may direct the amounts and maturities of any Bonds to be redeemed.

\* Preliminary; subject to change. In addition, each bid must specify whether the principal amount of Bonds payable on a particular date will be a payment at maturity of a serial bond or a mandatory sinking fund payment of a term bond.

Bonds that are subject to optional redemption may instead be purchased by the State at a purchase price equal to 100% of the principal amount to be purchased, plus accrued interest to the purchase date. Bonds so purchased may be remarketed by the State.

Any such redemption or purchase is conditioned on the receipt by the Paying Agent of sufficient funds to pay the redemption or purchase price.

*Mandatory Sinking Fund Redemption*

The Bonds maturing on May 1, ( **Term Bonds**) are subject to redemption before their maturity date at a redemption price equal to par (100% of the principal amount to be redeemed), plus accrued interest to the redemption date, from mandatory sinking fund payments that are required to be made in amounts sufficient to redeem, on May 1 of each of the years set forth below, the respective principal amounts of the **Term Bonds** specified below:

<b>Redemption Date</b> <b><u>(May 1)</u></b>	<b>Principal</b> <b><u>Amount</u></b>
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(a) Stated maturity

Optional redemption (or any purchase by the State in lieu of redemption) of the **Term Bonds** will be applied to reduce the mandatory sinking fund payments established for the **Term Bonds** so redeemed or purchased in such order and manner as the Capital Finance Director will direct.

*Selection of Bonds*

If less than all the Bonds are to be redeemed or purchased at the option of the State, the particular maturities of the Bonds to be redeemed or purchased will be determined by the Capital Finance Director.

So long as the Bonds are in book-entry-only form, selection of the beneficial owners affected by the redemption or purchase will be made by the securities depository and its participants in accordance with their rules.

*Notice of Redemption*

So long as the Bonds are in book-entry-only form, notice of any redemption or purchase in lieu of redemption will be sent to the securities depository between 20 and 60 days before the redemption date.

Any notice of redemption (or purchase in lieu of redemption) may provide that the State retains the right to rescind the notice, and the related redemption or purchase, by giving a notice of rescission to the securities depository at any time prior to the scheduled redemption or purchase date.

Interest on any Bond called for redemption will cease to accrue on the redemption date so long as the Bond is paid or money is provided for its payment.

**Registration and Payment of Bonds**

So long as the Bonds are in book-entry-only form, payment of the principal or purchase price of, and interest on, the Bonds on each payment date will be made by wire transfer to the securities depository or its nominee by the **Paying Agent**—which is the Secretary of Administration.



## Ratings

The following ratings have been assigned to the Bonds:

<u>Rating</u>	<u>Rating Organization</u>
	Kroll Bond Rating Agency, LLC
	Moody's Investors Service, Inc.
	S&P Global Ratings

Any explanation of what a rating means may only be obtained from the rating organization giving the rating. A securities rating is not a recommendation to buy, sell, or hold securities and may be subject to revision or withdrawal at any time. Any downgrade or withdrawal of a rating may adversely affect the market price of the Bonds. The State may elect not to continue requesting ratings on the Bonds from any particular rating organization or may elect to request ratings on the Bonds from a different rating organization.

## Application of Bond Proceeds

The Wisconsin Legislature has established the borrowing purposes and amounts for which public debt may be issued. **APPENDIX B** presents a summary of the borrowing purposes and the amounts both authorized for, and previously attributed to, each borrowing purpose from the proceeds of general obligations (including, in some cases, purchase premium and interest earnings). **APPENDIX B** also presents the borrowing purposes and amounts for which Bond proceeds have been authorized and are expected to be used.

Bond proceeds will be deposited in the State's Capital Improvement Fund and will be spent as the State incurs costs for the various borrowing or issuance purposes. Until spent, the money will be invested by the State of Wisconsin Investment Board.

## Book-Entry-Only Form

The Bonds are being initially issued in book-entry-only form. Purchasers of the Bonds will not receive bond certificates but instead will have their ownership in the Bonds recorded in the book-entry system.

Bond certificates are to be issued and registered in the name of a nominee of DTC, which acts as a securities depository for the Bonds. Ownership of the Bonds by the purchasers is shown in the records of brokers and other organizations participating in the DTC book-entry system (**DTC Participants**). All transfers of ownership in the Bonds must be made, directly or indirectly, through DTC Participants.

### *Payment*

The State will make all payments of principal or purchase price of, and interest on, the Bonds to DTC. Owners of the Bonds will receive payments through the DTC Participants.

### *Notices and Voting Rights*

The State will provide any redemption notices or other communications about the Bonds to DTC. Owners of the Bonds will receive any redemption notices or other communications through the DTC Participants. In any situation involving voting rights, DTC will not vote but will rather give a proxy through the DTC Participants.

### *Redemption or Purchase*

If less than all the Bonds of a given maturity are being redeemed or purchased in lieu of redemption, DTC's practice is to determine by lottery the amount of the Bonds to be redeemed or purchased from each DTC Participant.



### *Discontinued Service*

In the event that participation in DTC's book-entry system were to be discontinued without a successor securities depository being appointed, bond certificates would be executed and delivered to DTC Participants.

### *Further Information*

Further information concerning DTC and DTC's book-entry system is available at [www.dtcc.com](http://www.dtcc.com). The State is not responsible for any information available on DTC's website. That information may be subject to change without notice.

The State is not responsible for any failure by DTC or any DTC Participant to transfer payments or notices to the owners of the Bonds or to follow the procedures established by DTC for its book-entry system.

### *Redemption and Payment if Bonds Are Not in Book-Entry-Only Form*

In the event the Bonds were not in book-entry-only form, how the Bonds are redeemed (or purchased in lieu of redemption) and paid would differ from the descriptions above. Bonds would be selected for redemption or purchase by lot. Notice of any redemption or purchase would be mailed, postage prepaid, between 20 and 60 days before the redemption date, to the registered owners of any Bonds to be redeemed or purchased. Any notice of redemption (or purchase in lieu of redemption) could provide that the State retains the right to rescind the notice, and the related redemption or purchase, by giving a notice of rescission to the affected registered owners at any time prior to the scheduled redemption or purchase date.

Payment of principal or purchase price would be made by check or draft issued upon the presentation and surrender of the Bonds at the principal office of the Paying Agent, as designated by the Commission. Payment of interest due on the Bonds would be made by check or draft mailed to the registered owner shown in the registration book at the close of business on the record date—which is the 15th day (whether or not a business day) of the calendar month before the interest payment date.

## **OTHER INFORMATION**

### **Limitations on Issuance of General Obligations**

General obligations issued by the State are subject to debt limits set forth in the Wisconsin Constitution and the Wisconsin Statutes. There is an annual debt limit of three-quarters of one percent, and a cumulative debt limit of five percent, of the aggregate value of all taxable property in the State. Currently, the annual debt limit is \$6,805,610,378, and the cumulative debt limit is \$43,370,735,850. Funding or refunding obligations are not subject to the annual limit but are accounted for in applying the cumulative debt limit. Accrued interest on any obligation that is not paid during the fiscal year in which it accrues is treated as debt and taken into account for purposes of the debt limitations.

As of February 1, 2025, general obligations of the State were outstanding in the principal amount of \$6,754,033,000. The issuance of the Bonds will not cause the State to exceed its annual debt limit or its cumulative debt limit.

### **Borrowing Plans**

#### *General Obligations*

The Bonds will be the fourth series of general obligations to be issued in calendar year 2025. The State has previously issued two series of general obligations, in the aggregate principal amount of \$343 million, for the refunding of general obligations previously issued for general governmental purposes, and one series of general obligations in the principal amount of \$454 million, for payment of the purchase price and refunding of general obligations previously issued for governmental purposes.

In addition, the Commission has authorized the issuance of the following general obligations:

- Up to \$46 million of additional general obligations for the refunding of general obligation bonds previously issued for general governmental purposes. In addition, the Commission will be asked in May 2025 to authorize up to \$500 million of additional general obligations for the refunding of general obligation bonds previously issued for general governmental purposes. The amount and timing of any sale and issuance of any additional general obligations for refunding purposes depend, among other factors, on market conditions.
- General obligations for the funding of the State's outstanding general obligation extendible municipal commercial paper notes (**EMCP Notes**), which were outstanding in the aggregate principal amount of \$153 million as of January 1, 2025. The amount and timing of any issuance of general obligations for the funding of the EMCP Notes depend on, among other things, market conditions and determination by the State that it is in its best interest to fund such obligations with a different form of variable-rate obligations or with bonds bearing fixed interest rates.

The Commission likely will be asked to authorize the issuance of additional general obligations for general governmental purposes in calendar year 2025. The amount and timing of any sale and issuance of any general obligations for general governmental purposes depend on disbursements from the State Capital Improvement Fund for authorized purposes.

#### *Other Obligations*

The State has not issued any transportation revenue obligations in calendar year 2025. The authorization, sale, and issuance of any transportation revenue obligations for the financing of transportation facilities and highway projects depend on the expenditures for such projects and market conditions. The Commission has authorized up to \$300 million of transportation revenue refunding obligations to refund outstanding transportation revenue bonds. The State issued a Preliminary Official Statement dated February 24, 2025 for a negotiated sale of transportation revenue refunding obligations on or about March 11, 2025, the proceeds of which will be used to refund certain outstanding transportation revenue bonds previously issued for the financing of transportation facilities and highway projects, with delivery on or about April 3, 2025. The amount and timing of any issuance of any additional transportation revenue refunding obligations depend, among other factors, on market conditions.

The State has not issued any general fund annual appropriation refunding bonds in calendar year 2025. The amount and timing of any issuance of any general fund annual appropriation refunding bonds depend, among other factors, on market conditions.

The State has not issued any environmental improvement fund revenue bonds in calendar year 2025. The Commission has authorized up to \$150 million of environmental improvement bonds for the purpose of making loans under the State's Environmental Improvement Fund. The sale and issuance of any environmental improvement fund revenue bonds for the purpose of making loans under the State's Environmental Improvement Fund depend, among other factors, on disbursement of funds from the State's Environmental Improvement Fund and market conditions.

The Commission has authorized up to \$121 million of additional environmental improvement bonds to refund outstanding environmental improvement bonds. On February 18, 2025, the State also sold one series of environmental improvement fund revenue refunding bonds in the principal amount of \$29 million, for the refunding of environmental improvement fund revenue refunding bonds previously issued for making loans under the State's Environmental Improvement Fund, for delivery on or about March 6, 2025. The sale and issuance of any additional environmental improvement fund revenue refunding bonds depend, among other factors, on market conditions.

The State has not issued any master lease certificates of participation in calendar year 2025. The amount and timing of any issuance of master lease certificates of participation depend, among other factors, on originations in the State's master lease program and market conditions.

The State does not currently intend to issue operating notes for the 2024-25 fiscal year.

### Underwriting

The Bonds were purchased through competitive bidding on \_\_\_\_\_, 2025 by the following account (Underwriters).

The Underwriters paid \$ \_\_\_\_\_, and their bid resulted in a true-interest-cost rate to the State of \_\_\_\_%.

### Reference Information About the Bonds

Information about the Bonds is provided for reference in both the following table and the **table on the front cover** of this Official Statement. The CUSIP number for each maturity has been obtained from a source the State believes to be reliable, but the State is not responsible for the correctness of the CUSIP numbers. The Underwriters have provided the reoffering yields and prices for the Bonds. For each of the Bonds subject to optional redemption, the yield at issuance shown is the lower of the yield to the first optional call date or the yield to the nominal maturity date.

*[The remainder of this Page is intentionally left blank.]*

**\$253,905,000\***

**State of Wisconsin**

**General Obligation Bonds of 2025, Series A**

**Dated Date: Date of Delivery**

**First Interest Payment Date: November 1, 2025**

**Delivery/Settlement Date: On or about \_\_\_\_\_, 2025**

CUSIP (97705M)	Due (May 1)*	Principal Amount*	Interest Rate	Yield at Issuance	Price at Issuance	First Optional Call Date (May 1)*	Call Price*
	2026	\$9,425,000				Not Callable	—
	2027	9,685,000				Not Callable	—
	2028	9,980,000				Not Callable	—
	2029	10,300,000				Not Callable	—
	2030	10,650,000				Not Callable	—
	2031	11,035,000				Not Callable	—
	2032	11,455,000				Not Callable	—
	2033	11,925,000				Not Callable	—
	2034	12,425,000				Not Callable	—
	2035	13,090,000				2034	100%
	2036	143,935,000				2034	100

\*Preliminary; subject to change. The Capital Finance Director will most likely, after selection of the winning bid, adjust the principal amount of any or all maturities, or mandatory sinking fund payments, which could change the aggregate par amount of the Bonds. In addition, each bid must specify whether the principal amount of Bonds payable on a particular date will be a payment at maturity of a serial bond or a mandatory sinking fund payment of a term bond.

### Legal Investment

State law provides that the Bonds are legal investments for the following:

- Banks, trust companies, bankers, savings banks and institutions, building and loan associations, savings and loan associations, credit unions, investment companies, and other persons or entities carrying on a banking business.
- Personal representatives, guardians, trustees, and other fiduciaries.
- The State and all public officers, municipal corporations, political subdivisions, and public bodies.

## Legal Opinions

### *Bond Opinion*

Legal matters relating to the authorization, issuance, and sale of the Bonds are subject to the approval of **Bond Counsel**, which is Foley & Lardner LLP. When the Bonds are delivered, Bond Counsel will deliver an approving opinion in substantially the form shown in **APPENDIX C**. If certificated Bonds were issued, then the opinion would be printed on the reverse side of each Bond.

### *Attorney General*

As required by law, the office of the Attorney General will examine a certified copy of all proceedings leading to issuance of the Bonds. When the Bonds are delivered, the Attorney General will deliver an opinion on the regularity and validity of the proceedings with respect to the Bonds. The Attorney General's opinion will also state that there is no action, suit, or proceeding, either pending or threatened in writing, known to the Attorney General, restraining or enjoining the issuance, sale, execution, or delivery of the Bonds, and there also is no action, suit, or proceeding, either pending or threatened in writing, known to the Attorney General, in any way contesting or affecting (1) the titles to their respective offices of any of the State officers involved in the issuance of the Bonds, (2) the validity of the Bonds or any of the proceedings taken with respect to the issuance, sale, execution, or delivery of the Bonds, or (3) the pledge or application of any moneys or security provided for the payment of the Bonds.

If certificated Bonds were issued, then a certificate of the Attorney General would be printed on the reverse side of each Bond.

### *Other Legal Matters*

The State and its officers and employees are defendants in numerous lawsuits. The State does not expect that any pending litigation will be finally determined so as to result individually or in the aggregate in final judgments against the State that would materially affect the State's ability to pay the principal of and interest on the Bonds.

## TAX MATTERS

### Federal Tax Considerations

#### *Opinion of Bond Counsel*

In the opinion of Bond Counsel, under existing law and assuming continuing compliance by the State with certain tax covenants, interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (**Code**), and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals under the Code; however, interest on the Bonds is included in determining the "adjusted financial statement income" of certain corporations on which the federal alternative minimum tax is imposed under the Code.

The foregoing opinion of Bond Counsel is subject to the condition that the State complies with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be excludable from gross income for federal income tax purposes. The State has covenanted in the Resolution and the Tax Certificate of the State delivered on the date of delivery of the Bonds, as supplemented (**Tax Certificate**) to comply with those requirements.

The scope of the foregoing opinion of Bond Counsel is limited to matters addressed above and no opinion is expressed by Bond Counsel regarding other federal income tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. In rendering such opinions, Bond Counsel further assumes and relies upon (i) without undertaking to verify the same by independent investigation, the accuracy of the representations, statements of intention and reasonable expectation, and certifications of fact of the State with respect to matters affecting the excludability of interest on the Bonds from gross income for federal income tax purposes under the Code; and (ii) continuing compliance by the State with the applicable requirements of the Code as to such tax matters and the procedures, agreements and covenants set forth in the Resolution and the Tax Certificate that must be met subsequent to the issuance of the Bonds in order that interest on the Bonds be and remain excludable from gross income for federal income tax purposes.

Bond Counsel has not been engaged or retained to monitor post-issuance compliance. Failure of the State to comply with such requirements may cause the interest on the Bonds to not be excludable from gross income for federal income tax purposes retroactively to the date of issuance of the Bonds irrespective of the date on which such noncompliance occurs or is ascertained.

Bond Counsel's opinions set forth above are based upon current facts and circumstances, and upon existing law and interpretations thereof, as of the date such opinions are delivered and Bond Counsel assumes no affirmative obligation to update, revise or supplement such opinions to reflect any action thereafter taken or not taken or if such facts or circumstances, or laws or interpretations thereof, change after the date of such opinions, including, without limitation, changes that adversely affect the excludability of interest on the Bonds, even if such actions, inactions or changes come to Bond Counsel's attention. Further, such opinions are limited solely to the matters stated therein, and no opinion is to be implied or is intended beyond the opinions expressly stated therein. Moreover, the opinion of Bond Counsel is only an opinion and not a warranty or guaranty of the matters discussed or of a particular result, and is not binding on the Internal Revenue Service (**IRS**) or the courts.

Prospective investors should also be aware that ownership of the Bonds may result in adverse tax consequences under the laws of various states and local jurisdictions. Other than as described below, Bond Counsel expresses no opinion regarding any state or local tax consequences of acquiring, carrying, owning or disposing of the Bonds. Prospective purchasers of the Bonds should consult their tax advisors as to any state and local tax consequences to them of owning the Bonds.

#### *Original Issue Discount Bonds*

Under existing law, any original issue discount on the Bonds is excluded from gross income for federal income tax purposes to the same extent, and subject to the same considerations, discussed herein as interest payable on such Bonds. The original issue discount is the excess of the principal amount of a Bond over the issue price of that Bond. The issue price of the Bonds of a given series having a common maturity date and interest rate generally is the initial offering price to the public, excluding underwriters or other intermediaries, at which price a substantial amount of such Bonds were first sold. Based on representations from the Underwriters, the State expects the issue price of each maturity of each series of the Bonds to be the Price at Issuance set forth in the table under "**OTHER INFORMATION; Reference Information About the Bonds**".

Original issue discount on tax-exempt obligations accrues on a constant-yield-to-maturity method based on regular compounding. The amount of original issue discount accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period and will increase the owner's tax basis in the

obligations. The adjusted tax basis will be used to determine taxable gain or loss upon a disposition (for example, upon a sale, exchange, redemption, or payment at maturity) of the obligations.

Owners of Bonds with original issue discount should consult their own tax advisors with respect to the federal tax consequences of owning such Bonds, including the computation of accrued original issue discount and the accrual of original issue discount allocable to owners that do not purchase their Bonds in the initial offering at the issue price.

Owners of Bonds with original issue discount should also consult their own tax advisors with respect to the state and local tax consequences of owning such Bonds. Under the applicable provisions governing the determination of state and local taxes, ownership of Bonds with original issue discount may result in a tax liability in the year of accrual, even though there will not be a corresponding cash payment until a later year.

#### *Premium Bonds*

Bonds purchased, whether at original issuance or otherwise, for an amount greater than their principal amount payable at maturity will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, such as the Bonds, the interest on which is excluded from gross income for federal income tax purposes.

During each taxable year, an owner of Bonds with amortizable bond premium must reduce his, her, or its tax basis in the Bond by the amount of the amortizable bond premium that is allocable to the portion of that taxable year during which the owner owned the Bond. The adjusted tax basis in a Bond will be used to determine taxable gain or loss upon a disposition (for example, upon a sale, exchange, or payment at maturity) of the Bond.

Owners of Bonds purchased at a premium should consult their own tax advisors with respect to the federal tax consequences of owning such Bonds, including computation of their tax basis and the effect of any purchase of Bonds that is not made in the initial offering at the issue price. Owners of such Bonds should also consult their own tax advisors with respect to the state and local tax consequences of owning those Bonds.

#### *Certain Collateral Federal Income Tax Consequences*

Prospective purchasers of the Bonds should be aware that ownership of, receipt or accrual of interest on, or disposition of, tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S Corporations with “excess net passive income” and foreign corporations subject to the branch profits tax, individuals eligible to receive the earned income tax credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the Bonds. These items do not purport to address all aspects of federal taxation that may be relevant to a particular owner of any Bonds. Bond Counsel has not expressed an opinion regarding the collateral federal income tax consequences that may arise with respect to the Bonds.

### **State Tax Considerations**

#### *General*

In addition to the federal income tax consequences described above, potential investors should consider the state income tax consequences of the acquisition, ownership, and disposition of the Bonds. State income tax law may differ substantially from the corresponding federal law, and the foregoing is not intended to describe any aspect of the income tax laws of any state. Therefore, potential investors should consult their own tax advisors with respect to the various state tax consequences of an investment in the Bonds.

## *State of Wisconsin Income and Franchise Taxes*

Interest on the Bonds is not exempt from current State of Wisconsin income or franchise taxes.

### **Miscellaneous Tax Considerations**

Tax legislation or administrative actions by tax authorities and court decisions, at either the federal, state or local level, may adversely affect the tax-exempt status of interest on the Bonds under federal, state or local law or otherwise prevent the beneficial owners of the Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation (whether currently proposed, proposed in the future or enacted), administrative actions or court decisions could affect the market price or marketability of the Bonds.

It is not possible to predict whether any tax legislation or administrative actions by tax authorities or court decisions having an impact on the federal, state or local income tax treatment of the Bonds may or may not occur and Bond Counsel expresses no view with respect thereto. Prospective purchasers of the Bonds are encouraged to consult their own tax advisors regarding any tax legislation or administrative actions by taxing authorities or court decisions having an impact on the federal, state or local income tax treatment of the Bonds.

No private letter ruling has been or will be sought by the State from the IRS with respect to the Bonds or the property financed or refinanced with proceeds of the Bonds. No assurances can be given as to whether or not the IRS will open an audit of the Bonds to determine whether the interest thereon is includible in gross income for federal income tax purposes or as to whether the IRS would agree with the opinions of Bond Counsel, as described herein. If the IRS opens an audit of the Bonds, under current IRS procedures, the IRS will treat the State as the taxpayer, and the owners of the Bonds may have no right to participate.

The Resolution does not require the State to redeem the Bonds or to pay any additional interest or penalty in the event the interest on the Bonds becomes taxable.

The federal income tax consequences from the purchase, ownership and redemption, sale or other disposition of Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. Purchasers of the Bonds at other than their original issuance at the respective prices indicated on the inside cover of this Official Statement should consult their own tax advisors regarding other tax considerations.

PURCHASE, OWNERSHIP, SALE OR DISPOSITION OF THE BONDS AND THE RECEIPT OR ACCRUAL OF THE INTEREST THEREON MAY HAVE ADVERSE FEDERAL TAX CONSEQUENCES FOR CERTAIN INDIVIDUAL AND CORPORATE INVESTORS, INCLUDING, BUT NOT LIMITED TO, THE CONSEQUENCES DESCRIBED ABOVE. PROSPECTIVE INVESTORS SHOULD CONSULT WITH THEIR TAX SPECIALISTS FOR INFORMATION IN THAT REGARD.

## **CONTINUING DISCLOSURE**

The State has made an undertaking to enable brokers, dealers, and municipal securities dealers, in connection with their participation in the offering of the Bonds, to comply with Rule 15c2-12(b)(5) adopted by the U.S. Securities and Exchange Commission under the Securities Exchange Act of 1934. In the undertaking, the State has agreed, for the benefit of the beneficial owners of the Bonds, to provide an annual report presenting certain financial information and operating data about the State (**Annual Reports**). The State has agreed to file the Annual Report with the Municipal Securities Rulemaking Board (**MSRB**) through its Electronic Municipal Market Access (**EMMA**) system by December 27th of each year. The State has also agreed to provide to the MSRB notices of the occurrence of certain events specified in the undertaking.

[Part I of the 2024 Annual Report](#), which contains information on the undertaking, including the State's Master Agreement on Continuing Disclosure (Amended and Restated March 1, 2019), the Addendum Describing



Annual Report for General Obligations, and the form of Supplemental Agreement that will apply the Master Agreement and the Addendum to the Bonds, is included by reference as part of this Official Statement.

Copies of the Annual Reports and notices may be obtained from:

State of Wisconsin Department of Administration  
Attn: Capital Finance Office  
101 East Wilson Street, FLR 10  
P.O. Box 7864  
Madison, WI 53707-7864  
(608) 267-1836  
[DOACapitalFinanceOffice@wisconsin.gov](mailto:DOACapitalFinanceOffice@wisconsin.gov)  
[doa.wi.gov/capitalfinance](http://doa.wi.gov/capitalfinance)  
[wisconsinbonds.com](http://wisconsinbonds.com)

The undertaking also describes the consequences if the State fails to provide any required information. The State must report any such failure to the MSRB. In the last five years, the State has not failed to comply in any material respect with the undertaking, or any similar undertaking.

Dated:                   , 2025

## **STATE OF WISCONSIN**

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Governor Tony Evers, Chairperson  
State of Wisconsin Building Commission

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Kathy K. Blumenfeld, Secretary  
State of Wisconsin Department of Administration

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Naomi De Mers, Secretary  
State of Wisconsin Building Commission

## APPENDIX A

### CERTAIN INFORMATION ABOUT THE STATE

This Appendix includes by reference information concerning the State of Wisconsin (**State**), contained in [Parts II and III of the State of Wisconsin Continuing Disclosure Annual Report, dated December 20, 2024 \(2024 Annual Report\)](#), which can be obtained as described below. This Appendix also makes updates and additions to the information presented in Part II of the 2024 Annual Report, including but not limited to:

- Estimated General Fund condition statement for the 2024-25 fiscal year and estimated General Fund tax collections for the 2025-26 and 2026-27 fiscal years, as included in a report provided by the Legislative Fiscal Bureau (**LFB**) on January 29, 2025 (**January 2025 LFB Report**).
- General Fund information for the 2024-25 fiscal year through January 31, 2025, which is presented on either a cash basis or an agency-recorded basis, and projected General Fund information for the remainder of the 2024-25 fiscal year, which is presented on a cash basis.
- Information about the executive budget for the 2025-27 biennium.

[Part II of the 2024 Annual Report](#) contains general information about the State. More specifically, that part presents information about the following matters:

- Environmental, social, and governance factors
- State's revenue and expenditures
- State's operations, financial procedures, accounting, and financial reporting
- Organization of, and services provided by, the State
- Budget process and fiscal controls
- State budget (including results of 2023-24 fiscal year and summary of 2023-25 biennial budget)
- Potential effects of litigation
- State obligations
- Employee pension funds and other post-employment benefits
- State Investment Board
- Statistical information about the State's population, income, and employment

The State's audited General Purpose External Financial Statements and independent auditor's report provided by the State Auditor for the fiscal year ended June 30, 2024, prepared in conformity with generally accepted accounting principles (**GAAP**) for governments as prescribed by the Governmental Accounting Standards Board, are included as [APPENDIX A](#) to Part II of the 2024 Annual Report.

[Part III of the 2024 Annual Report](#) contains information concerning general obligations issued by the State. That part discusses the security provisions for general obligations (including the flow of funds to pay debt service on general obligations) and presents data about the State's outstanding general obligations and the portion of outstanding general obligations that is revenue supported.

The 2024 Annual Report, the Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024, and the January 2025 LFB Report were filed with the Municipal Securities Rulemaking Board (**MSRB**) through its Electronic Municipal Market Access (**EMMA**) system. A complete copy of the January 2025 LFB Report, which includes a national economic forecast and its application to the State's General Fund tax revenue estimates, is included at the end of this Appendix. The 2024 Annual Report, the Annual Comprehensive Financial Report, and the January 2025 LFB Report are also available from the part of the Capital Finance Office

website called “Official Disclosure for Bonds, Notes, and Other Securities Issued by the State of Wisconsin” and the State investor relations website.

The Capital Finance Office website and the State investor relations website are located at the following respective addresses:

doa.wi.gov/capitalfinance  
wisconsinbonds.com

Copies of the 2024 Annual Report may also be obtained from:

State of Wisconsin Department of Administration  
Capital Finance Office  
101 E. Wilson Street, FLR 10  
P.O. Box 7864  
Madison, WI 53707-7864  
(608) 267-1836  
[DOACapitalFinanceOffice@wisconsin.gov](mailto:DOACapitalFinanceOffice@wisconsin.gov)

The State has independently provided periodic reports on General Fund financial information. These reports are not required by any of the State’s undertakings to provide information concerning the State’s securities. These reports are available on the State’s Capital Finance Office website that is listed above and were also filed as additional voluntary information with the MSRB through its EMMA system; however, the reports are not incorporated by reference into this Official Statement or Part II of the 2024 Annual Report. The State is not obligated to update or provide such reports at any time in the future.

After publication and filing of the 2024 Annual Report, certain changes or events have occurred that affect items discussed in the 2024 Annual Report. Listed below, by reference to particular sections of Part II of the 2024 Annual Report, are changes or additions to the information contained in those particular sections. When changes occur, the State may or may not (unless required to do so under the State’s undertakings) file notices with the MSRB. However, the State has filed, and expects to continue to file, additional and other voluntary information with the MSRB, some of which may not be listed event notices required to be filed under the State’s undertakings.

This Official Statement may include changes or additions that were released after the date of the Preliminary Official Statement (February 27, 2025). Any such changes or additions are identified accordingly.

**STATE BUDGET; Budget for 2024-25 Fiscal Year** (Part II; Pages 36-37). Update with the following information.

*January 2025 LFB Report – General Fund Condition Statement*

The January 2025 LFB Report includes an updated estimated General Fund condition statement for the 2024-25 fiscal year. The net General Fund balance for the end of the biennium (June 30, 2025) is projected to be \$4.2 billion. This is \$199.7 million higher than the balance that was projected at the time of the enactment of the 2023-25 biennial budget (**2023 Wisconsin Act 19**), as modified to incorporate the fiscal year 2022-23 ending balance as shown in the State's Annual Fiscal Report for fiscal year 2022-23.

The following table provides the updated estimated General Fund condition statement for the 2024-25 fiscal year, as included in the January 2025 LFB Report. The table also includes, for comparison, the General Fund condition statement for the 2023-24 fiscal year as included in the Annual Fiscal Report for the 2023-24 fiscal year, the estimated General Fund condition statement for the 2024-25 fiscal year, as included in 2023 Wisconsin Act 19, a report released by LFB dated January 24, 2024 (**January 2024 LFB Report**), a memorandum released by LFB dated May 22, 2024 (**May 2024 LFB Memo**), and a report released by the Department of Administration (DOA) on November 20, 2024 (**November 2024 DOA Report**).

**ESTIMATED GENERAL FUND CONDITION STATEMENT**  
**2024-25 FISCAL YEAR**  
(in Millions)

	2024-25 Fiscal Year					
	2023-24 Fiscal Year Annual Fiscal Report	2023 Wisconsin Act 19 <sup>(a)</sup>	January 2024 LFB Report	May 2024 LFB Memo	November 2024 DOA Report	January 2025 LFB Report
Revenues						
Opening Balance	\$7,073.2	\$4,346.5	\$3,808.2	\$3,801.0	\$4,622.3	\$4,622.3
Prior Year Continuing Balance	81.6					
Taxes	21,329.6	22,013.6	21,772.2	21,682.0	22,012.7	22,252.3
Departmental Revenues						
Tribal Gaming	-0.0-	8.9	-0.0-	-0.0-	18.6	18.6
Other	859.9	726.5	674.0	674.0	737.0	759.4
Total Available	\$29,344.4	\$27,095.6	\$26,254.4	\$26,157.0	\$27,390.6	\$27,652.6
Appropriations						
Gross Appropriations	\$22,896.8	\$21,040.9	\$21,053.0	\$21,117.0	\$21,112.6	\$21,046.1
Sum Sufficient Reestimates	-0.0-	-0.0-	41.7	-0.0-	(72.3)	-0.0-
Transfers	1,987.0					
Capital Improvement Fund		-0.0-	-0.0-	-0.0-	423.3	423.3
PFAS Trust Fund		-0.0-	-0.0-	-0.0-	-0.0-	-0.0-
Local Government Fund		1,563.4	1,563.4	1,563.0	1,563.4	1,563.4
Innovation Fund		303.0	303.0	303.0	303.0	303.0
Transportation Fund						
EV Sales Tax		55.1	55.1	55.0	55.1	55.1
0.25% Transfer		51.7	51.7	52.0	51.7	51.7
Other		-0.0-	-0.0-	-0.0-	-0.0-	-0.0-
Compensation Reserves	265.7	397.9	397.9	398.0	397.9	397.9
Less: Lapses	(427.5)	(384.2)	(468.3)	(468.0)	(443.6)	(455.3)
Net Appropriations	\$24,722.1	\$23,027.8	\$22,997.5	\$23,020.0	\$23,391.1	\$23,385.1
Balances						
Gross Balance	\$4,622.3	\$4,067.8	\$3,257.0	\$3,137.0	\$3,999.5	\$4,267.5
Less: Req. Statutory Balance	n/a	(105.0)	(105.0)	(105.0)	(105.0)	(105.0)
Net Balance, June 30	\$4,622.3	\$3,962.8	\$3,152.0	\$3,032.0	\$3,894.5	\$4,162.5

<sup>(a)</sup> Adjusted to reflect the fiscal year 2022-23 ending balance as shown in the Annual Fiscal Report for fiscal year 2022-23.

**Source: Department of Administration**

**STATE BUDGET; Estimated General Fund Tax Collections for 2024-25 Fiscal Year** (Part II; Pages 37-38).  
Update with the following information.

*January 2025 LFB Report – General Fund Tax Collections*

The January 2025 LFB Report also includes updated estimated General Fund tax collections for the 2024-25 fiscal year. The estimated General Fund tax collections are \$22.252 billion for the 2024-25 fiscal year. This amount is \$238.7 million higher than the estimated General Fund tax collections as included in 2023 Wisconsin Act 19.

The following table provides the updated estimated General Fund tax collections for the 2024-25 fiscal year, as included in the January 2025 LFB Report. The table also includes, for comparison, the General Fund tax collections for the 2023-24 fiscal year as included in the Annual Fiscal Report for the 2023-24 fiscal year, the estimated General Fund tax revenue collections for the 2024-25 fiscal year, as included in 2023 Wisconsin Act 19, the January 2024 LFB Report, and the November 2024 DOA Report.

**ESTIMATED GENERAL FUND TAX REVENUE COLLECTIONS**  
**2024-25 FISCAL YEAR<sup>(a)</sup>**  
**(in Millions)**

	<b>2023-24 Fiscal Year Annual Fiscal Report</b>	<b>2024-25 Fiscal Year</b>			
		<b>2023 Wisconsin Act 19</b>	<b>January 2024 LFB Report</b>	<b>November 2024 DOA Report</b>	<b>January 2025 LFB Report</b>
Individual Income	\$9,717.6	\$10,075.8	\$9,910.0	\$10,195.1	\$10,420.0
Sales and Use	7,587.5	7,816.9	7,810.0	7,684.0	7,760.0
Corp. Income & Franchise	2,702.1	2,808.2	2,715.0	2,819.5	2,770.0
Public Utility	399.5	370.0	408.0	397.6	384.0
Excise					
Cigarettes	402.7	405.2	397.0	378.0	371.0
Tobacco Products	85.7	93.0	90.0	87.7	86.0
Vapor Products	7.1	8.5	8.8	7.1	7.1
Liquor & Wine	68.3	71.0	74.0	71.3	73.0
Beer	8.0	8.0	7.4	8.1	8.2
Insurance Company	242.6	246.0	232.0	251.3	263.0
Miscellaneous Taxes	108.5	111.0	120.0	113.0	110.0
<b>TOTAL</b>	<b>\$21,329.6</b>	<b>\$22,013.6</b>	<b>\$21,772.2</b>	<b>\$22,012.7</b>	<b>\$22,252.3</b>

<sup>(a)</sup> The May 2024 LFB Memo included the estimated General Fund tax revenue collection of \$21,682 million for the 2024-25 fiscal year, but did not contain a breakdown by the above tax categories.

**Source: Department of Administration**

**STATE BUDGET; Budget for 2025-27 Biennium** (Part II; Page 38). Update with the following information.

As provided for in Wisconsin Statutes, and consistent with past practice, the Legislature approved a submission date for the executive budget for the 2025-27 biennium that is after January 31, 2025. Governor Evers submitted the executive budget for the 2025-27 biennium on February 18, 2025. The Governor's executive budget bill was introduced in both houses of the Legislature and referred to the Legislative Joint Committee on Finance for review. Both detailed and summary information about the Governor's executive budget for the 2025-27 biennium can be obtained from the following website:

<https://doa.wi.gov/Pages/2025-27%20Executive%20Budget%20UEK.aspx>

The website identified above is for the convenience of the reader only and is not incorporated by reference into this Official Statement.

In addition, LFB is expected to complete an initial review of the Governor's executive budget for the 2025-27 biennium, and when available such summary will be filed with the MSRB through its EMMA system and available from the State as provided on page [A-2](#).

The following table includes the estimated General Fund condition statement for the 2025-26 and 2026-27 fiscal years, as detailed in the Governor's executive budget for the 2025-27 biennium.

**ESTIMATED GENERAL FUND CONDITION STATEMENT**  
**2025-26 and 2026-27 FISCAL YEARS**  
(in Millions)

	2025-26 Fiscal Year Executive Budget	2026-27 Fiscal Year Executive Budget
Revenues		
Opening Balance	\$4,267.7	\$2,275.2
Taxes	24,515.9	24,604.0
Department Revenues		
Tribal Gaming	-0.0-	-0.0-
Other	650.2	448.4
Total Available	<u>\$29,433.8</u>	<u>\$27,327.6</u>
Appropriations		
Gross Appropriations	\$25,490.5	\$24,994.3
Compensation Reserves	222.9	352.6
Transfers		
Capital Improvement Fund	-0.0-	-0.0-
Local Government Fund	1,686.1	1,620.6
Transportation Fund	156.6	166.2
Veterans Homes Institutional Operations Account	7.1	14.8
Winnebago Mental Health Institutional Operations Account	18.6	15.3
Less: Lapses	<u>(423.1)</u>	<u>(482.5)</u>
Net Appropriations	<u>\$27,158.6</u>	<u>\$26,681.3</u>
Balances		
Gross Balance	\$2,275.2	\$646.3
Less: Req. Statutory Balance	<u>(110.0)</u>	<u>(115.0)</u>
Net Balance, June 30	<u>\$2,165.2</u>	<u>\$531.3</u>

<sup>(a)</sup> Numbers may not sum to total due to rounding.

**Source: Department of Administration**

**STATE BUDGET; Revenue Projections for the 2025-26 and 2026-27 Fiscal Year (Part II; Pages 38-39).**

Update with the following information.

*January 2025 LFB Report – General Fund Tax Collections*

The January 2025 LFB Report also includes estimated General Fund tax collections for the 2025-26 and 2026-27 fiscal years. The estimated General Fund tax collections are \$23.012 billion for the 2025-26 fiscal year and \$23.339 billion for the 2026-27 fiscal year. These amounts are \$355.2 million and \$299.5 million, respectively, higher than the estimated General Fund tax collections as included in the November 2024 DOA Report.

The following table provides the estimated General Fund tax collections for the 2025-26 and 2026-27 fiscal years, as included in the January 2025 LFB Report. The table also includes, for comparison, the General Fund tax collections for the 2025-26 and 2026-27 fiscal years, as included in the November 2024 DOA Report.

**ESTIMATED GENERAL FUND TAX REVENUE COLLECTIONS**  
**2025-26 AND 2026-27 FISCAL YEARS**  
(in Millions)

	<b>2025-26 Fiscal Year</b>		<b>2026-27 Fiscal Year</b>	
	<b>November 2024 DOA Report</b>	<b>January 2025 LFB Report</b>	<b>November 2024 DOA Report</b>	<b>January 2025 LFB Report</b>
Individual Income	\$10,655.2	\$11,140.0	\$10,731.0	\$11,880.0
Sales and Use	7,861.6	8,140.0	8,113.5	8,375.0
Corp. Income & Franchise	2,846.5	2,415.0	2,923.2	1,785.0
Public Utility	387.2	404.0	377.1	394.0
Excise				
Cigarettes	348.5	348.0	316.5	326.0
Tobacco Products	92.4	85.0	95.5	84.0
Vapor Products	7.3	7.2	7.3	7.3
Liquor & Wine	72.8	74.0	74.7	76.0
Beer	8.0	8.2	8.0	8.1
Insurance Company	260.7	270.0	271.1	275.0
Miscellaneous Taxes	117.0	121.0	122.0	129.0
<b>TOTAL</b>	<b>\$22,657.2</b>	<b>\$23,012.4</b>	<b>\$23,039.9</b>	<b>\$23,339.4</b>

**Source: Department of Administration**

**GENERAL FUND INFORMATION; General Fund Cash Flow** (Part II; Pages 45-57). The following tables provide updates and additions to various tables containing General Fund information for the 2024-25 fiscal year. Actual General Fund information for the 2024-25 fiscal year through January 31, 2025, and projections for the remainder of the 2024-25 fiscal year, are presented primarily on a cash basis.

The projections and estimates for the 2024-25 fiscal year in the following tables (unless otherwise noted) reflect 2023 Wisconsin Act 19, the January 2024 LFB Report, and an act that provided funding for certain University of Wisconsin System projects (**2023 Wisconsin Act 102**), but do not reflect the May 2024 LFB Memo, the November 2024 DOA Report, and the January 2025 LFB Report. The comparison of monthly General Fund information that is presented on a cash basis has many inherent problems. Unforeseen events or variations from underlying assumptions may cause a decrease or increase in receipts and disbursements from those projected for any specific month. The following tables may show negative balances on a cash basis. The State can have a negative cash balance at the end of a fiscal year.

The Wisconsin Statutes provide certain administrative remedies to deal with periods when the General Fund is in a negative cash position. The Secretary of Administration may temporarily reallocate cash in other funds to the General Fund in an amount up to 9% of the general-purpose revenue appropriations then in effect and may also temporarily reallocate for a period of up to 30 days an additional amount up to 3% of the general-purpose revenue appropriations then in effect.

If the amount available for temporary reallocation to the General Fund is not sufficient, then the Secretary of Administration is authorized to set priorities for payments from the General Fund and to prorate and defer certain payments.



**Table II-11; General Fund Cash Flow (Part II; Page 48).** Replace with the following updated table.

**ACTUAL GENERAL FUND CASH FLOW; JULY 1, 2024 TO JANUARY 31, 2025**  
**PROJECTED GENERAL FUND CASH FLOW; FEBRUARY 1, 2025 TO JUNE 30, 2025<sup>(a)(b)</sup>**  
**(Amounts in Thousands)**

	July 2024	August 2024	September 2024	October 2024	November 2024	December 2024	January 2025	February 2025	March 2025	April 2025	May 2025	June 2025
<b>BALANCES<sup>(a)(b)</sup></b>												
Beginning Balance	\$6,656,153	\$6,027,669	\$6,125,103	\$7,220,654	\$7,597,952	\$7,476,375	\$5,935,579	\$7,115,938	\$6,742,179	\$5,316,552	\$6,550,686	\$6,037,795
Ending Balance <sup>(c)</sup>	6,027,669	6,125,103	7,220,654	7,597,952	7,476,375	5,935,579	7,115,938	6,742,179	5,316,552	6,550,686	6,037,795	5,407,597
Lowest Daily Balance <sup>(c)</sup>	5,479,617	5,397,773	5,962,320	6,584,041	7,089,195	4,362,079	5,439,966	6,112,327	4,958,751	5,280,050	5,559,416	4,406,755
<b>RECEIPTS</b>												
<b>TAX RECEIPTS</b>												
Individual Income	\$1,093,534	(\$302,053)	\$1,268,564	\$877,134	\$519,778	\$1,109,418	\$1,338,347	\$791,810	\$972,585	\$1,852,431	\$707,115	\$1,316,326
Sales & Use	789,305	(154,904)	685,877	669,436	663,700	622,072	158,660	621,491	593,481	719,927	692,848	775,887
Corporate Income	118,522	(9,770)	493,705	39,706	78,264	463,372	751,744	62,667	360,673	457,988	82,732	485,724
Public Utility	40	144	131	24,456	189,235	(9)	(8,048)	53	12	4,513	218,526	7,330
Excise	51,141	(2,650)	57,634	49,198	50,417	41,030	44,855	44,007	38,852	50,929	43,294	53,648
Insurance	532	2,743	52,760	198	1,785	53,578	2,363	28,873	28,856	58,313	3,194	53,341
Miscellaneous	12,742	(2,888)	47,078	3,576	16,395	53,774	-17,245-	-0-	-0-	-0-	-0-	-0-
Subtotal Tax Receipts	\$2,065,816	(\$469,378)	\$2,605,749	\$1,663,704	\$1,519,574	\$2,343,235	\$2,305,166	\$1,548,901	\$1,994,459	\$3,144,101	\$1,747,709	\$2,692,256
<b>NON-TAX RECEIPTS</b>												
Federal	\$1,443,827	\$1,243,112	\$1,297,017	\$1,026,838	\$1,043,215	\$1,429,903	\$1,300,881	\$1,256,753	\$1,271,710	\$1,117,490	\$1,299,707	\$1,530,463
Other & Transfers	698,297	2,251,959	1,049,827	879,524	515,664	786,500	835,364	745,162	560,330	506,217	418,029	862,764
Note Proceeds	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
Subtotal Non-Tax Receipts	\$2,142,124	\$3,495,071	\$2,346,844	\$1,906,362	\$1,558,879	\$2,216,403	\$2,136,245	\$2,001,915	\$1,832,040	\$1,623,707	\$1,717,736	\$2,393,227
<b>TOTAL RECEIPTS</b>	<b>\$4,207,940</b>	<b>\$3,025,693</b>	<b>\$4,952,593</b>	<b>\$3,570,066</b>	<b>\$3,078,453</b>	<b>\$4,559,638</b>	<b>\$4,441,411</b>	<b>\$3,550,816</b>	<b>\$3,826,499</b>	<b>\$4,767,808</b>	<b>\$3,465,445</b>	<b>\$5,085,483</b>
<b>DISBURSEMENTS</b>												
Local Aids	\$1,389,840	\$283,968	\$1,202,730	\$198,621	\$488,740	\$1,783,533	\$187,845	\$821,749	\$2,136,769	\$73,203	\$835,927	\$2,421,847
Income Maintenance	1,034,043	1,092,296	1,043,472	663,108	1,091,178	1,262,220	1,301,655	1,111,799	1,155,810	1,039,311	1,166,639	1,238,416
Payroll and Related	580,577	494,400	611,138	800,934	633,205	597,951	655,882	541,165	541,018	542,701	715,156	520,414
Tax Refunds	161,164	159,967	153,561	218,586	207,202	314,760	179,355	561,278	690,082	658,564	229,321	181,406
Debt Service	299,921	88	-0-	191,422	1,178	-0-	-0-	331	-0-	408,180	132,828	-0-
Miscellaneous	1,370,879	897,540	846,141	1,120,097	778,527	2,141,970	936,315	888,253	728,447	811,715	898,465	1,353,598
<b>TOTAL DISBURSEMENTS</b>	<b>\$4,836,424</b>	<b>\$2,928,259</b>	<b>\$3,857,042</b>	<b>\$3,192,768</b>	<b>\$3,200,030</b>	<b>\$6,100,434</b>	<b>\$3,261,052</b>	<b>\$3,924,575</b>	<b>\$5,252,126</b>	<b>\$3,533,674</b>	<b>\$3,978,336</b>	<b>\$5,715,681</b>

- (a) The projections and estimates in this table reflect 2023 Wisconsin Act 19, the January 2024 LFB Report, 2023 Wisconsin Act 102, and the receipt of ARPA federal funds, but do not reflect the May 2024 LFB Memo, the November 2024 DOA Report and the January 2025 LFB Report. Temporary reallocations of cash are not included.
- (b) The General Fund cash balances presented in this schedule are not based on GAAP. The General Fund includes funds designated for operations and capital purposes of certain proprietary programs of the State's universities. Receipts and disbursements of such funds for the designated programs and the disbursement of such funds for other purposes are reflected in the cash flow. A use of the designated funds for purposes other than the proprietary programs is, in effect, a borrowing of such funds. Therefore, at any time that the balance in the General Fund is less than the balance of such designated funds, the State is obligated to replenish the designated funds to the extent of the shortfall. These designated funds are anticipated to range from \$600 million to \$2.0 billion for the 2024-25 fiscal year. In addition, the General Fund holds deposits for several escrow accounts pursuant to court orders or federal rulings. These funds have averaged and are expected to continue to average approximately \$25 million during each fiscal year.
- (c) The Wisconsin Statutes provide certain administrative remedies to deal with periods when the General Fund may be in a negative cash position. The Secretary of Administration may temporarily reallocate cash in other funds to the General Fund in an amount up to 9% of the general-purpose revenue appropriations then in effect with an additional amount up to 3% for a period of up to 30 days. The resulting amounts available for temporary reallocation for the 2024-25 fiscal year (based on 2023 Wisconsin Act 19) are approximately \$1.894 billion and \$631 million, respectively. If the amount available for temporary reallocation to the General Fund is not sufficient, then the Secretary of Administration is authorized to set priorities for payments from the General Fund and to prorate or defer certain payments.

**Source: Department of Administration**

**Table II-12; Historical General Fund Cash Flow (Part II; Page 49).** Replace with the following updated table.

**HISTORICAL GENERAL FUND CASH FLOW**  
**ACTUAL FISCAL YEARS 2020-21 TO 2023-24<sup>(a)</sup>**  
**ACTUAL AND PROJECTED FISCAL YEAR 2024-25**  
**(Amounts in Thousands)**

	<b>Actual 2020-21 Fiscal Year</b>	<b>Actual 2021-22 Fiscal Year</b>	<b>Actual 2022-23 Fiscal Year</b>	<b>Actual 2023-24 Fiscal Year</b>	<b>2024-25 Fiscal Year YTD Actual thru Jan-25; Estimated Feb-25 thru Jun-25</b>
<b>RECEIPTS</b>					
Tax Receipts					
Individual Income	\$12,322,447	\$12,254,052	\$11,750,439	\$11,839,085	\$11,544,989
Sales	6,825,242	7,600,527	7,956,224	8,392,830	6,837,780
Corporate Income	2,753,782	2,936,462	2,749,861	2,856,769	3,385,327
Public Utility	409,860	425,920	445,929	461,858	436,383
Excise	683,307	663,646	627,036	602,845	522,355
Insurance	230,169	248,367	254,035	275,638	286,536
Miscellaneous	-0-	-0-	-0-	-0-	147,922
<b>Total Tax Receipts</b>	<b>\$23,224,807</b>	<b>\$24,128,974</b>	<b>\$23,783,524</b>	<b>\$24,429,025</b>	<b>\$23,161,292</b>
Non-Tax Receipts					
Federal	\$13,868,008	\$16,491,256	\$15,187,860	\$14,887,886	\$15,260,916
Other and Transfers	6,572,553	7,105,946	7,651,149	7,554,829	10,109,637
<b>Total Non-Tax Receipts</b>	<b>\$20,440,561</b>	<b>\$23,597,202</b>	<b>\$22,839,009</b>	<b>\$22,442,715</b>	<b>\$25,370,553</b>
<b>TOTAL RECEIPTS</b>	<b>\$43,665,368</b>	<b>\$47,726,176</b>	<b>\$46,622,533</b>	<b>\$46,871,740</b>	<b>\$48,531,845</b>
<b>DISBURSEMENTS</b>					
Local Aids	\$10,460,416	\$11,147,436	\$11,265,373	\$12,646,779	\$11,824,772
Income Maintenance	11,040,922	12,596,315	13,025,890	13,001,302	13,199,947
Payroll & Related	5,689,539	6,014,346	6,350,183	6,892,707	7,234,541
Tax Refunds	3,533,245	4,195,231	3,446,260	3,308,280	3,715,246
Debt Service	973,718	961,923	953,479	957,909	1,033,948
Miscellaneous	9,486,768	11,871,707	10,587,954	11,850,298	12,771,947
<b>TOTAL DISBURSEMENTS</b>	<b>\$41,184,608</b>	<b>\$46,786,958</b>	<b>\$45,629,139</b>	<b>\$48,657,275</b>	<b>\$49,780,401</b>
<b>NET CASH FLOW</b>	<b>\$2,480,760</b>	<b>\$939,218</b>	<b>\$993,394</b>	<b>(\$1,785,535)</b>	<b>(\$1,248,556)</b>

<sup>(a)</sup> None of the data presented in this table has been subjected to customary fiscal period closing procedures or other procedures used in the preparation of a financial statement, including verification, reconciliation, and identified adjustments. In addition, comparison of monthly General Fund financial information has many inherent problems. Unforeseen events (including even a change in weather conditions) or variations from underlying assumptions may cause a decrease in receipts or an increase in disbursements from those projected for a given month.

**Source: Department of Administration**

**Table II-13; General Fund Cash Receipts and Disbursements Year-to-Date Compared to Estimates and Previous Fiscal Year (Part II; Page 51).** Replace with the following updated table.

**GENERAL FUND CASH RECEIPTS AND DISBURSEMENTS YEAR-TO-DATE  
COMPARED TO ESTIMATES AND PREVIOUS FISCAL YEAR<sup>(a)</sup>  
(Cash Basis)  
As of January 31, 2025  
(Amounts in Thousands)**

	2023-24 Fiscal Year through January 31, 2024 Actual	2024-25 Fiscal Year through January 31, 2025				Difference 2024-25 Fiscal Year Actual to 2023-24 Fiscal Year Actual
		Actual	Estimate <sup>(b)</sup>	Variance	Adjusted Variance <sup>(c)</sup>	
RECEIPTS						
Tax Receipts						
Individual Income	\$6,516,207	\$5,904,722	\$7,096,516	(\$1,191,794)	(\$1,191,794)	(\$611,485)
Sales	5,070,660	3,434,146	5,215,433	(1,781,287)	(1,781,287)	(1,636,514)
Corporate Income	1,441,382	1,935,543	1,544,860	390,683	390,683	494,161
Public Utility	228,297	205,949	234,845	(28,896)	(28,896)	(22,348)
Excise	361,569	291,625	360,540	(68,915)	(68,915)	(69,944)
Insurance	101,658	113,959	112,905	1,054	1,054	12,301
Miscellaneous	-0-	\$147,922	-0-	147,922	147,922	147,922
Total Tax Receipts	\$13,719,773	\$12,033,866	\$14,565,099	(\$2,531,233)	(\$2,531,233)	(\$1,685,907)
Non-Tax Receipts						
Federal	\$8,546,001	\$8,784,793	\$8,328,245	\$456,548	\$456,548	\$238,792
Other and Transfers	4,521,093	7,017,135	4,393,300	2,623,835	2,623,835	2,496,042
Total Non-Tax Receipts	\$13,067,094	\$15,801,928	\$12,721,545	\$3,080,383	\$3,080,383	\$2,734,834
TOTAL RECEIPTS	\$26,786,867	\$27,835,794	\$27,286,644	\$549,150	\$549,150	\$1,048,927
DISBURSEMENTS						
Local Aids	\$6,528,790	\$5,535,277	\$6,029,433	(\$494,156)	(\$494,156)	(\$993,513)
Income Maintenance	7,315,246	7,487,972	7,465,570	22,402	22,402	172,726
Payroll & Related	3,865,039	4,374,087	3,902,940	471,147	471,147	509,048
Tax Refunds	1,159,028	1,394,595	1,051,303	343,292	343,292	235,567
Debt Service	557,404	492,609	508,438	(15,829)	(15,829)	(64,795)
Miscellaneous	7,010,828	8,091,469	8,525,555	(434,086)	(434,086)	1,080,641
TOTAL DISBURSEMENTS	\$26,436,335	\$27,376,009	\$27,483,239	(\$107,230)	(\$107,230)	\$939,674
2024-25 FISCAL YEAR VARIANCE YEAR-TO-DATE				\$656,380	\$656,380	

- (a) None of the data presented here has been subjected to customary fiscal period closing procedures or other procedures used in the preparation of a financial statement, including verification, reconciliation, and identified adjustments. In addition, comparison of monthly General Fund financial information has many inherent problems. Unforeseen events (including even a change in weather conditions) or variations from underlying assumptions may cause a decrease in receipts or an increase in disbursements from those projected for a given month. Amounts are as of June 30 and are not the final amounts for the fiscal year. Transactions occurring during July, August and September may affect the prior year's final fiscal amounts.
- (b) The projections and estimates for the 2024-25 fiscal year reflect 2023 Wisconsin Act 19, the January 2024 LFB Report, and 2023 Wisconsin Act 102. The projections and estimates do not reflect any specific disbursement of remaining ARPA federal funds. The projections and estimates also do not reflect the May 2024 LFB Memo, the November 2024 DOA Report, and the January 2025 LFB Report.
- (c) Changes are sometimes made after the beginning of the fiscal year to the projected revenues and disbursements. Depending on when these changes occur, there are situations in which prior estimates cannot be changed which may result in large variances. This column includes adjustments to the variances, if any, to more accurately reflect the variance between the estimated and actual amounts.

**Source: Department of Administration**

**Table II-14; General Fund Monthly Cash Position** (Part II; Page 52). Replace with the following updated table.

**GENERAL FUND MONTHLY CASH POSITION<sup>(a)</sup>**  
**July 1, 2022 through January 31, 2025 – Actual**  
**February 1, 2025 through June 30, 2025 – Estimated<sup>(b)</sup>**  
**(Amounts in Thousands)**

Starting Date		Starting Balance	Receipts	Disbursements
2022	July .....	\$7,448,294	\$3,716,755	\$4,683,283
	August .....	6,481,766	3,156,046	2,263,375
	September .....	7,374,437	4,870,036	3,970,812
	October .....	8,273,661	3,590,601	2,878,465
	November .....	8,985,797	3,272,780	3,425,346
	December .....	8,833,231	3,805,222	4,727,500
2023	January .....	7,910,953	4,282,671	2,817,923
	February .....	9,375,701	3,578,565	3,642,827
	March .....	9,311,439	3,428,482	5,351,144
	April .....	7,388,777	4,505,885	3,270,549
	May .....	8,624,113	3,801,447	3,048,589
	June .....	9,376,971	4,614,043	5,549,326
	July .....	8,441,688	3,662,523	3,714,843
	August .....	8,389,368	3,241,950	2,996,522
	September .....	8,634,796	4,425,440	4,129,665
	October .....	8,930,571	4,004,423	3,479,214
	November .....	9,455,780	3,010,815	3,957,580
	December .....	8,509,015	3,945,874	4,650,447
2024	January .....	7,804,442	4,495,842	3,508,064
	February .....	8,792,220	3,401,823	4,356,487
	March .....	7,837,556	3,368,594	5,169,515
	April .....	6,036,635	5,196,178	3,524,193
	May .....	7,708,620	3,637,374	4,132,613
	June .....	7,213,381	4,480,904	5,038,132
	July .....	6,656,153	4,207,940	4,836,424
	August .....	6,027,669	3,025,693	2,928,259
	September .....	6,125,103	4,952,593	3,857,042
	October .....	7,220,654	3,570,066	3,192,768
	November .....	7,597,952	3,078,453	3,200,030
	December .....	7,476,375	4,559,638	6,100,434
2025	January .....	5,935,579	4,441,411	3,261,052
	February .....	7,115,938	3,550,816	3,924,575
	March .....	6,742,179	3,826,499	5,252,126
	April .....	5,316,552	4,767,808	3,533,674
	May .....	6,550,686	3,465,445	3,978,336
	June .....	6,037,795	5,085,483	5,715,681

(a) The General Fund balances presented in this table are not based on GAAP.

(b) The projections and estimates for the 2024-25 fiscal year (cash basis) reflect 2023 Wisconsin Act 19, the January 2024 LFB Report, and 2023 Wisconsin Act 102, but do not reflect the May 2024 LFB Memo, the November 2024 DOA Report, and the January 2025 LFB Report.

**Source: Department of Administration**

**Table II-15; Cash Balances in Funds Available for Temporary Reallocation (Part II; Page 53).** Replace with the following updated table.

**CASH BALANCES IN FUNDS AVAILABLE FOR  
TEMPORARY REALLOCATION<sup>(a)(b)</sup>  
July 31, 2022 to January 31, 2025 — Actual  
February 28, 2025 to June 30, 2025 — Projected<sup>(c)</sup>  
(Amounts in Millions)**

The following two tables show, on a monthly basis, the cash balances available for temporary reallocation. The first table does not include balances in the Local Government Investment Pool (LGIP) and the second table does include such balances. Though the LGIP is available for temporary reallocations, funds in the LGIP are deposited and withdrawn by local units of government, and thus are outside the control of the State. The monthly average daily balances in the LGIP for the past five years have ranged from a low of \$3.746 billion during November 2020 to a high of \$7.752 billion during March 2024. The Secretary of Administration may not exercise the authority to use temporary reallocation if doing so would jeopardize the cash flow of any fund or account from which a temporary reallocation would be made.

<b><u>Available Balances; Does Not Include Balances in the LGIP</u></b>				
<b>Month (Last Day)</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
January .....		\$2,958	\$3,444	\$3,380
February .....		3,024	3,549	3,549
March .....		3,124	3,416	3,416
April .....		3,159	3,355	3,355
May .....		3,225	3,344	3,344
June .....		3,420	3,394	3,394
July .....	\$2,711	2,534	3,139	
August .....	2,443	2,732	3,123	
September .....	2,671	2,889	3,214	
October .....	2,408	2,908	3,062	
November .....	2,678	3,134	3,259	
December .....	3,008	3,352	3,421	
<b><u>Available Balances; Includes Balances in the LGIP</u></b>				
<b>Month (Last Day)</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
January .....		\$8,574	\$10,552	\$10,765
February .....		9,110	10,879	10,879
March .....		9,708	11,168	11,168
April .....		9,212	10,600	10,597
May .....		8,814	10,124	10,124
June .....		9,194	10,233	10,233
July .....	\$9,343	9,135	10,854	
August .....	7,786	8,321	9,526	
September .....	7,507	8,386	9,302	
October .....	6,986	8,247	8,846	
November .....	7,121	8,350	8,838	
December .....	7,846	9,520	10,064	

- (a) None of the data presented here has been subjected to customary fiscal period closing procedures or other procedures used in the preparation of a financial statement, including verification, reconciliation, and identified adjustments. In addition, comparison of monthly General Fund financial information has many inherent problems. Unforeseen events (including even a change in weather conditions) or variations from underlying assumptions may cause a decrease in receipts or an increase in disbursements from those projected for a given month.
- (b) The amounts shown reflect a reduction in the aggregate cash balances available to the extent any fund had a negative balance and temporary reallocations were made from such fund.
- (c) The projections and estimates for 2023-24 fiscal year (cash basis) reflect 2023 Wisconsin Act 19, the January 2024 LFB Report, and generalized assumptions for disbursement of remaining ARPA federal funds, but do not reflect the May 2024 LFB Memo, the November 2024 DOA Report, and the January 2025 LFB Report.

**Source: Department of Administration**

**Table II-16; General Fund Recorded Revenues (Part II; Page 55).** Replace with the following updated table.**GENERAL FUND RECORDED REVENUES<sup>(a)</sup>****(Agency-Recorded Basis)****July 1, 2024 to January 31, 2025 compared with previous year**

	<b>Annual Fiscal Report Revenues 2023-24 Fiscal Year<sup>(b)</sup></b>	<b>Projected Revenues 2024-25 Fiscal Year<sup>(c)</sup></b>	<b>Recorded Revenues July 1, 2023 to January 31, 2024<sup>(d)</sup></b>	<b>Recorded Revenues July 1, 2024 to January 31, 2025<sup>(e)</sup></b>
Individual Income Tax	\$9,717,600,000	\$10,075,800,000	\$5,531,681,872	\$6,002,099,827
General Sales and Use Tax .....	7,587,500,000	7,816,900,000	3,911,792,790	4,027,230,170
Corporate Franchise and Income Tax .....	2,702,100,000	2,808,200,000	1,209,482,535	1,244,985,451
Public Utility Taxes .....	399,500,000	370,000,000	208,416,675	205,952,106
Excise Taxes .....	571,800,000	585,700,000	304,446,509	291,762,179
Inheritance Taxes .....	-0-	-0-	-0-	-0-
Insurance Company Taxes .....	242,600,000	246,000,000	101,327,043	113,960,341
Miscellaneous Taxes .....	108,500,000	111,000,000	145,280,679	161,093,712
<b>SUBTOTAL .....</b>	<b>\$21,329,600,000</b>	<b>\$22,013,600,000</b>	<b>\$11,412,428,103</b>	<b>\$12,047,083,786</b>
 Federal and Other Inter-Governmental Revenues <sup>(f)</sup> .....	 \$16,165,711,000	 \$12,761,054,600	 \$9,123,758,610	 \$9,166,642,406
Dedicated and Other Revenues <sup>(g)</sup> .....	9,499,832,000	9,325,809,200	5,361,817,787	6,575,809,644
 <b>TOTAL .....</b>	 <b>\$46,995,143,000</b>	 <b>\$44,100,463,800</b>	 <b>\$25,898,004,500</b>	 <b>\$27,789,535,837</b>

- (a) The revenues in this table are presented on an agency-recorded basis and not a budgetary basis. None of the data presented here has been subjected to customary fiscal period closing procedures or other procedures used in the preparation of a financial statement, including verification, reconciliation, and identified adjustments.
- (b) The amounts are from the Annual Fiscal Report (budgetary basis) for the 2023-24 fiscal year dated October 15, 2024.
- (c) The estimates in this table for the 2024-25 fiscal year (cash basis) reflect 2023 Wisconsin Act 19, but do not reflect the January 2024 LFB Report, 2023 Wisconsin Act 102, the May 2024 LFB Memo, the November 2024 DOA Report, and the January 2025 LFB Report.
- (d) The amounts shown are the 2023-24 fiscal year general purpose revenues and program revenue taxes as recorded by State agencies. There may be differences between the tax revenues shown in this table and those that may be reported by the State of Wisconsin Department of Revenue (**DOR**) from time to time in its monthly general purpose revenue collections report; the DOR report (i) only includes general purpose revenues or taxes that are actually collected by DOR (and not by other State agencies), and (ii) may include accruals or other adjustments that may not be recorded by State agencies until a subsequent month.
- (e) The amounts shown are the 2024-25 fiscal year general purpose revenues and program revenue taxes as recorded by State agencies. There may be differences between the tax revenues shown in this table and those that may be reported by DOR from time to time in its monthly general purpose revenue collections report; the DOR report (i) only includes general purpose revenues or taxes that are actually collected by DOR (and not by other State agencies), and (ii) may include accruals or other adjustments that may not be recorded by State agencies until a subsequent month.
- (f) This category includes intergovernmental transfers. The amount of these transfers may vary greatly between fiscal years, and therefore, this category may not be comparable on a historical basis.
- (g) Certain transfers between General Fund appropriations are recorded as both revenues and expenditures of the General Fund. The amount of these transfers may vary greatly between fiscal years, and therefore this category may not be comparable on a historical basis.

**Source: Department of Administration**

**Table II-17; General Fund Recorded Expenditures by Function** (Part II; Page 57). Replace with the following updated table.

**GENERAL FUND RECORDED EXPENDITURES BY FUNCTION<sup>(a)</sup>**  
**(Agency-Recorded Basis)**  
**July 1, 2024 to January 31, 2025 compared with previous year**

	<b>Annual Fiscal Report Expenditures 2023-24 Fiscal Year<sup>(b)</sup></b>	<b>Estimated Appropriations 2024-25 Fiscal Year<sup>(c)</sup></b>	<b>Recorded Expenditures July 1, 2023 to January 31, 2024<sup>(d)</sup></b>	<b>Recorded Expenditures July 1, 2024 to January 31, 2025<sup>(e)</sup></b>
Commerce .....	\$525,395,000	\$471,530,400	\$415,480,106	\$413,312,629
Education .....	17,968,778,000	16,524,526,600	8,983,738,175	9,275,945,946
Environmental Resources .....	457,674,000	204,587,200	373,663,506	312,208,245
Human Relations & Resources .....	22,356,932,000	19,944,566,600	12,781,752,424	13,062,647,909
General Executive .....	1,937,331,000	1,385,388,900	1,595,291,057	1,138,614,654
Judicial .....	172,125,000	167,036,700	97,501,282	108,172,885
Legislative .....	91,104,000	92,379,400	46,574,958	43,868,116
General Appropriations .....	3,075,362,000	2,225,161,300	3,718,643,706	3,621,220,299
<b>TOTAL</b>	<b>\$46,584,701,000</b>	<b>\$41,015,177,100</b>	<b>\$28,012,645,213</b>	<b>\$27,975,990,682</b>

(a) The expenditures in this table are presented on an agency-recorded basis and not a budgetary basis. None of the data presented in this table has been subjected to customary fiscal period closing procedures or other procedures used in the preparation of a financial statement, including verification, reconciliation, and identified adjustments.

(b) The amounts are from the Annual Fiscal Report (budgetary basis) for the 2023-24 fiscal year, dated October 15, 2024.

(c) The appropriations included in this table reflect 2023 Wisconsin Act 19, but do not reflect the January 2024 LFB Report, 2023 Wisconsin Act 102, the May 2024 LFB Memo, the November 2024 DOA Report, and the January 2025 LFB Report.

(d) The amounts shown are 2023-24 fiscal year expenditures as recorded by all State agencies.

(e) The amounts shown are 2024-25 fiscal year expenditures as recorded by all State agencies.

**Source: Department of Administration**



**STATISTICAL INFORMATION; Table II-39; Unemployment Rate Comparison** (Part II; Page 93).  
 Replace with the following updated table.

**Table II-39**  
**UNEMPLOYMENT RATE COMPARISON<sup>(a)(b)</sup>**  
**2020 to 2025**

	<b>2025</b>		<b>2024</b>		<b>2023</b>		<b>2022</b>		<b>2021</b>		<b>2020</b>	
	<b>Wis.</b>	<b>U.S.</b>	<b>Wis.</b>	<b>U.S.</b>	<b>Wis.</b>	<b>U.S.</b>	<b>Wis.</b>	<b>U.S.</b>	<b>Wis.</b>	<b>U.S.</b>	<b>Wis.</b>	<b>U.S.</b>
January		4.4	2.8	4.1	3.0	3.9	3.5	4.4	5.1	6.8	3.6	4.0
February			3.3	4.2	3.3	3.9	3.7	4.1	5.3	6.6	3.5	3.8
March			3.5	3.9	3.1	3.6	3.4	3.8	5.0	6.2	3.9	4.5
April			3.0	3.5	2.7	3.1	2.9	3.3	4.4	5.7	14.0	14.4
May			3.0	3.7	2.8	3.4	2.6	3.4	3.8	5.5	10.6	13.0
June			3.3	4.3	3.5	3.8	3.3	3.8	4.5	6.1	9.1	11.2
July			3.3	4.5	3.2	3.8	3.1	3.8	4.0	5.7	7.9	10.5
August			2.7	4.4	3.4	3.9	3.0	3.8	3.7	5.3	6.1	8.5
September			2.5	3.9	2.9	3.6	2.5	3.3	2.9	4.6	5.3	7.7
October			2.5	3.9	2.8	3.6	2.3	3.4	2.5	4.3	4.5	6.6
November			2.6	4.0	2.7	3.5	2.3	3.4	2.4	3.9	4.4	6.4
December			2.9	3.8	2.9	3.5	2.3	3.3	2.5	3.7	4.6	6.5
Annual Average			3.0	4.0	3.0	3.6	2.9	3.6	3.9	5.3	6.4	8.1

<sup>(a)</sup> Figures show the percentage of labor force that is unemployed and are *not seasonally adjusted*.

<sup>(b)</sup> Historical information has been adjusted due to benchmarking through the Local Area Unemployment Statistics (LAUS).

**Source: Department of Workforce Development and U.S. Bureau of Labor Statistics**

# Legislative Fiscal Bureau

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*State of Wisconsin*

January 29, 2025

Senator Howard Marklein, Senate Chair  
Representative Mark Born, Assembly Chair  
Joint Committee on Finance  
State Capitol  
Madison, WI 53702

Dear Senator Marklein and Representative Born:

Annually, this office prepares general fund revenue and expenditure projections for the Legislature.

In odd-numbered years, our report includes estimated general fund revenues and expenditures for the current fiscal year and tax collection projections for each year of the next biennium. This report presents the conclusions of our analysis.

## **Comparison with the Administration's November 20, 2024, Report**

On November 20, 2024, the Departments of Administration and Revenue submitted a report to the Governor and Legislature that identified general fund revenue and expenditure projections for the 2024-25 fiscal year and the 2025-27 biennium. That report, required by statute, identifies the magnitude of state agency biennial budget requests and presents a projection of general fund tax collections.

Our analysis indicates that for the three-year period, aggregate general fund tax collections will be higher (\$894.3 million) than those of the November 20, 2024, report (\$239.6 million in 2024-25, \$355.2 million in 2025-26, and \$299.5 million in 2026-27).

Based upon the November 20 report, the administration's general fund condition statement for 2024-25 reflects a gross ending balance of \$3,999.5 million and a net balance (after consideration of the \$105.0 million required statutory balance) of \$3,894.5 million.

Our analysis indicates a gross balance of \$4,267.5 million and a net balance of \$4,162.5 million. This is \$268.0 million above that of the November 20 report. The 2024-25 general fund condition statement is shown in Table 1.

**TABLE 1****Estimated 2024-25 General Fund Condition Statement**

	<u>2024-25</u>
<b>Revenues</b>	
Opening Balance, July 1	\$4,622,291,000
Taxes	22,252,300,000
Departmental Revenues	
Tribal Gaming	18,620,300
Other	<u>759,413,500</u>
Total Available	\$27,652,624,800
 <b>Appropriations, Transfers, and Reserves</b>	
Gross Appropriations	\$21,046,058,000
Transfers to:	
Building Program	423,300,000
Local Government Fund	1,563,380,000
Innovation Fund	303,000,000
Transportation Fund:	
EV Sales Tax	55,100,000
0.25% Transfer	51,700,000
Compensation Reserves	397,930,000
Less Lapses	<u>-455,336,800</u>
Net Appropriations	\$23,385,131,200
 <b>Balances</b>	
Gross Balance	\$4,267,493,600
Less Required Statutory Balance	<u>-105,000,000</u>
Net Balance, June 30	\$4,162,493,600

The factors that make up the \$268.0 million difference are as follows. First, based on economic forecasts and tax collections to date, our estimated tax collections for 2024-25 are \$239.6 million higher than the projection of the November 20 report. Next, there is an increase in departmental revenues (non-tax receipts deposited into the general fund) of \$22.4 million, primarily due to estimated interest earnings because of the higher balance. Finally, net appropriations are projected to be \$6.0 million below those of the November 20 report. The additional general fund balance of \$268.0 million for 2024-25 is displayed as follows (\$239.6 million + \$22.4 million + \$6.0 million = \$268.0 million).

**General Fund Revenues**

The following sections present information related to general fund tax revenues for 2024-25

and the 2025-27 biennium. This includes a review of the U.S. economy in 2024, a summary of the national economic forecast for 2025 through 2027, and detailed general fund tax revenue estimates for the current fiscal year and the next biennium.

### **Review of the National Economy in 2024**

This office prepared updated revenue estimates for the 2023-25 biennium in January, 2024, based on the January, 2024, S&P Global Market Intelligence (S&P Global) forecast for the U.S. economy. The forecast predicted real gross domestic product (GDP) growth of 1.7% in 2024 and 1.5% in 2025, while growth in nominal GDP was predicted at 3.7% in 2024 and 2025. The forecast assumed that, while the labor market would remain tight in 2024, a period of below-trend growth in economic indicators would allow the economy to achieve sustained 2% inflation by late 2025.

The January, 2024, S&P Global forecast was based on the following assumptions. First, the forecast assumed that the debt ceiling, which was suspended through 2024 by the Fiscal Responsibility Act of 2023 (FRA23), would be raised, and legislation passed, before the end of 2024, avoiding a government shutdown. Second, the forecast assumed that unspent federal stimulus funds from the pandemic era and ongoing funding from the Infrastructure Investment and Jobs Act (IIJA) would mitigate pressures to reduce state and local spending, offsetting the effects of state operating deficits. Third, S&P Global predicted that the Federal Reserve would: (a) reduce its policy rate four times in 2024, beginning in March, to a range of 4.25% to 4.50% by December of 2024, and to a range of 2.50% to 2.75% by early 2026; and (b) continue shrinking its balance sheet by about one third, from a high of \$8.97 trillion in April, 2022. Fourth, the forecast assumed that tariffs enacted by the U.S. and China since 2017 would remain in effect. Fifth, S&P Global projected that growth in real, trade-weighted foreign GDP would slow to 1.8% in 2024, then recover slightly to 2.5% by 2026. Foreign consumer price inflation was expected to fall to 2.4% by 2026, while foreign sovereign bond yields were expected to grow to 2.8% in 2024. Finally, the forecast estimated that the price of Brent crude oil would decline to \$76 per barrel in 2025, increase to \$87 by 2027, then rise at roughly the rate of inflation.

The national economy grew faster than estimated. Real growth in U.S. GDP for 2024 is now estimated at 2.8%, which is 1.1 percentage points higher than previously estimated. S&P Global estimates that nominal U.S. GDP grew 5.3% in 2024, exceeding expectations by 1.6 percentage points.

The Federal Reserve began reducing rates later than expected in the January, 2024, forecast, with the first rate decrease (50 basis points) occurring in September, 2024. Two more decreases (25 basis points in November and December) followed, bringing the federal funds rate to a range of 4.25% to 4.50% at the end of 2024, consistent with the previous forecast. The Federal Reserve maintained its plan to reduce its balance sheet by allowing up to \$35 billion worth of agency debt and mortgage-backed securities and \$60 billion worth of Treasuries it holds to mature each month, through May, 2024, without reinvesting the proceeds back into the marketplace. Beginning June 1, 2024, the Federal Reserve reduced the amount of Treasuries maturing without reinvestment from \$60 billion to \$25 billion, but maintained its plan to reduce agency debt and mortgage-backed securities by up to \$35 billion each month.

Although the monthly average 30-year fixed rate mortgage rate declined from its 23-year peak of 7.62% in October, 2023, rates remained elevated in 2024, ranging from a high of 7.06% in May, to a low of 6.18% in September. Despite the Federal Reserve reducing interest rates three times (100 basis points) since September, mortgage rates actually increased, ending the year at 6.72% in December. Over the same time period, the 10-year Treasury note yield began to climb, increasing from 3.63% on September 16 to 4.58% by December 31. Sales of existing homes continued to decline in 2024, down 1.1% for the year (compared to the previous estimate of a 1.5% increase). Despite this decline in sales, the average price of existing homes increased 4.4%. S&P Global notes that homeowners are not moving to better locations or homes because of a "lock-in" effect, where the interest rate they pay on their current mortgage is much lower than the current prevailing market interest rate.

In March, 2024, the National Association of Realtors reached a settlement agreement to resolve lawsuits related to commissions paid to buyers' agents. The settlement, which was approved in federal court in November, 2024, will likely allow homebuyers to better negotiate the amount of compensation provided to buyers' agents. The impact of the settlement on the housing market remains unclear; however, brokers' commissions are expected to be reduced over the forecast period.

The consumer price index (CPI) declined from 4.1% growth in 2023 to 3.0% growth in 2024 (0.3 percentage points higher than previously forecasted). Food prices moderated in 2024, increasing just 2.2%, while commodity and energy prices declined 1.0% and 1.3%, respectively. Core CPI (which excludes food and energy prices) increased 3.4%, driven by a 5.0% increase in prices for nonenergy services. The average price of a new vehicle declined only slightly, from \$46,200 in 2023 to \$45,700 in 2024 (\$2,400 higher than estimated in January, 2024). The University of Michigan Consumer Sentiment index fluctuated throughout 2024, falling from 79.0 in January to 66.4 in July, then increasing to 74.0 by the end of the year.

As predicted, the national unemployment rate rose to 4.0% in 2024. In contrast, the Wisconsin unemployment rate declined to 3.0%, as of December, 2024, down from 3.4% in December, 2023. U.S. nonfarm payrolls increased 1.6% for the year, slightly more than previously estimated, while Wisconsin nonfarm payrolls increased 0.7% between December, 2023, and December, 2024. Personal income in the U.S. increased 5.5% in 2024, while wage and salary disbursements increased 5.9%, growing 0.8 and 1.4 percentage points faster than previously forecasted, respectively.

Labor unrest was seen throughout 2024, with workers launching (or threatening to launch) numerous strikes, often with demands for higher wages. For example, on October 1, 2024, dockworkers across 36 U.S. ports launched a strike after discussions for a new six-year contract fell through. The strike lasted three days before dockworkers and port operators reached a tentative agreement for a 62% wage increase over six years. Negotiations of the new contract terms followed, preventing a resumption of the strike in January, 2025. While major disruptions seem to have been avoided, S&P Global expects that the three-day strike may have contributed to a decrease in U.S. imports in October and a corresponding increase in November. Other notable strikes were launched by Boeing machinists, Amazon drivers, healthcare workers, and Starbucks baristas in 2024.

Nominal consumer spending growth continued to ease along with inflation in 2024, but still increased 5.3% (2.3 percentage points higher than CPI growth and 1.4 percentage points higher than

assumed in the previous forecast). As such, consumer spending was the primary driver of the economy, contributing 1.8 percentage points to real GDP growth. Growth in spending on services continued to outpace growth in spending on goods, with personal consumption expenditures (PCE) on services constituting 68.5% of all PCE in 2024. This is up 1.0 percentage point from 2023.

The stock market showed considerable strength, with the S&P 500 and Dow Jones Industrial Average increasing 23.3% and 12.9%, respectively, over the year. These increases come on the tail of strong growth in 2023, marking the highest growth over a two-year period since 1997 and 1998. As such, household holdings of equities increased 21.4% in 2024. This strength was not just limited to stocks, however. Gold commodities had their best year of growth since 2010, increasing 27%, and bitcoin more than doubled for the year.

### **National Economic Forecast**

Under the January, 2025, forecast, S&P Global predicts below-potential GDP growth, with the unemployment rate continuing to rise. Real GDP growth is forecast to slow relative to 2024, but to continue growing 2.0% in 2025, 1.7% in 2026, and 1.6% in 2027. In the near term, S&P Global anticipates that President Trump's policies will generally increase inflation, slow the pace of monetary policy easing, and contribute to a stronger dollar and tighter financial conditions. Despite this, S&P Global predicts that the odds of a "soft landing," in which economic growth slows without causing a recession, remain favorable.

The 2025 forecast is based on the following key assumptions. First, Treasury is expected to undertake "extraordinary measures" to meet its debt obligations, now that the debt ceiling is no longer suspended, and the debt ceiling is expected to be increased without a government shutdown. The forecast assumes: (a) an extension of the individual income tax provisions in the 2017 Tax Cuts and Jobs Act (TCJA); (b) some exclusion of tip and overtime pay from federal income taxation; (c) the corporate tax rate is reduced from 21% to 15% on domestic production; and (d) Medicare and Social Security benefits continue to be paid. Second, it assumes that state and local budgets have returned to deficit, after having been supported by stimulus relief measures in 2021 and 2022. However, unspent pandemic-era stimulus funds and ongoing IIJA funds are expected to mitigate pressures to reduce state and local spending. Third, the forecast assumes a reduction in net international migration by 500,000 per year (equal to 0.15% of the U.S. population) for the next four years. Fourth, S&P Global anticipates that the Federal Reserve will reduce the federal funds rate by 25 basis points both in March and June of 2025, before pausing until the third quarter of 2026. Fifth, the forecast assumes a 10% universal tariff and a 30% tariff on imports from China, which is expected to increase the average effective tariff rate from 3.0% in the first quarter of 2025 to 16.4% by the first quarter of 2026. Finally, it assumes that growth in real, trade-weighted foreign GDP will remain at 2.0% in 2025 and rise to 2.2% in 2026. Foreign CPI inflation is expected to fall to 2.5% in 2025 and 2.2% by 2028.

The 2025 forecast is summarized in Table 2, which reflects S&P Global's January, 2025, baseline outlook. Selected baseline projections are presented in more detail below, with alternative optimistic and pessimistic scenarios discussed thereafter.

**TABLE 2**

**Summary of National Economic Indicators  
S&P Global Baseline Forecast, January, 2025  
(\$ in Billions)**

	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
Nominal Gross Domestic Product	\$29,177.7	\$30,657.2	\$32,208.7	\$33,415.0
Percent Change	5.3%	5.1%	5.1%	3.7%
Real Gross Domestic Product	\$23,295.1	\$23,757.0	\$24,161.6	\$24,557.9
Percent Change	2.8%	2.0%	1.7%	1.6%
Consumer Prices (Percent Change)	3.0%	2.9%	3.3%	2.2%
Personal Income	\$24,695.5	\$25,965.9	\$27,401.8	\$28,722.3
Percent Change	5.5%	5.1%	5.5%	4.8%
Nominal Personal Consumption Expenditures	\$19,811.8	\$20,836.8	\$21,851.4	\$22,785.6
Percent Change	5.3%	5.2%	4.9%	4.3%
Economic Profits	\$3,778.5	\$3,752.8	\$3,633.9	\$3,698.6
Percent Change	6.5%	-0.7%	-3.2%	1.8%
Unemployment Rate	4.0%	4.4%	4.7%	4.8%
Total Nonfarm Payrolls (Millions)	158.6	160.0	159.8	159.7
Percent Change	1.6%	0.9%	-0.1%	-0.1%
Light Vehicle Sales (Millions of Units)	15.79	16.18	16.39	16.56
Percent Change	1.9%	2.4%	1.3%	1.1%
Sales of New and Existing Homes (Millions of Units)	4.735	4.956	5.515	5.703
Percent Change	-0.7%	4.7%	11.3%	3.4%
Housing Starts (Millions of Units)	1.347	1.307	1.261	1.257
Percent Change	-5.2%	-3.0%	-3.5%	-0.4%

*Fiscal Policy.* The annual operating federal budget deficit is expected to decline from \$1.832 trillion in federal fiscal year 2024 (\$318 billion higher than previously estimated) to \$1.808 trillion (-1.4%) in 2025 and \$1.780 trillion (-1.5%) in 2026, then grow to \$1.909 trillion (7.2%) in 2027. S&P Global estimates that spending by the federal government contributed 0.15 percentage points to real GDP growth in 2024, more than previously estimated, but will contribute just 0.09 percentage points and 0.02 percentage points in 2025 and 2026, respectively, before detracting 0.03 percentage points from growth in 2027. Although spending by state and local governments contributed 0.41 percentage points to real GDP growth in 2024, more than previously estimated, and is projected to contribute 0.10 percentage points in 2025, such spending is expected to slightly subtract from real GDP through the remainder of the forecast period.

S&P Global's forecast includes various policies that the Trump Administration and Republican-controlled Congress are likely to put in place, including tax cuts, tariffs, and

deportations. The forecast assumes that personal tax cuts under the TCJA, which are scheduled to expire in 2026, will be made permanent, and that the corporate tax rate is reduced on domestic production from 21% to 15%. In addition, the forecast assumes some income exclusion of tip and overtime pay from federal taxation.

*International Trade.* As previously predicted, growth in nominal imports (6.2%) exceeded growth in exports (4.3%) in 2024, although both imports and exports grew more than previously expected. Stronger import growth increased the trade deficit by 13.5% (\$107.7 billion) in 2024, exceeding the January, 2024, estimate by 8.5 percentage points and detracting 0.39 percentage points from real GDP growth.

The forecast anticipates that the Trump Administration will implement a 10% universal tariff, along with a 30% tariff on imports from mainland China. It is expected that these policies will contribute to slower growth in nominal imports of 3.8% in 2025, before declining 1.4% in 2026 and rebounding 1.4% in 2027. S&P Global predicts that growth in exports will increase 4.6% in 2025, then slow to growth of 2.6% and 3.2% in 2026 and 2027, respectively. Stronger growth in exports is expected to begin improving the U.S. balance of trade beginning in 2026.

*Consumer Prices.* CPI slowed to 3.0% in 2024, down from 4.1% in 2023 and 8.0% in 2022. As predicted, core CPI, which excludes food and energy prices, exceeded overall CPI, growing 3.4% in 2024. S&P Global expects the growth in CPI to slow to 2.9% in 2025, before increasing to 3.3% in 2026. Higher CPI growth in 2026 is based on S&P Global's expectation that President Trump's proposed tariffs will increase domestic prices. CPI is projected to slow to 2.2% in 2027. S&P Global estimates core CPI growth at 3.2% in 2025 and 2026, and 2.1% in 2027.

*Employment.* As predicted, the U.S. unemployment rate averaged 4.0% in 2024, up from 3.6% in 2023. The unemployment rate is projected to increase to 4.4% in 2025, 4.7% in 2026, and 4.8% in 2027. Average annual nonfarm payrolls grew 1.6% in 2024 (0.8 percentage points higher than previously forecast), and are expected to remain relatively flat through the forecast period, growing just 0.9% in 2025, then declining by 0.1% in both 2026 and 2027. S&P Global anticipates that the potential for tighter immigration policy and higher levels of deportation under the Trump Administration would add to labor shortages in some industries. The forecast estimates that the annual U.S. labor force participation rate will remain at 62.6% through 2025, then decline to 62.4% in 2026 and 62.1% in 2027.

*Personal Income.* Personal income grew 5.5% in 2024, higher than previously expected (4.7% in the January, 2024, forecast). Wage and salary disbursements grew 5.9% in 2024 (compared to 4.5% forecast in January, 2024), and are expected to continue growing by 5.5%, 5.8%, and 3.7% in 2025, 2026, and 2027, respectively. Personal income is expected to grow at a similar pace of 5.1% in 2025, 5.5% in 2026, and 4.8% in 2027.

Real disposable income grew at a slower pace compared to 2023 (5.1%), up 2.9% in 2024. S&P Global anticipates that real disposable income will maintain growth of around 2.9% through the rest of the forecast period. The personal savings rate, as a percentage of disposable income, has been increasing, up from 4.7% in 2023 to 4.8% in 2024, and is expected to continue increasing to 5.2% in 2025, 6.4% in 2026, and 6.9% in 2027. Growth in real household net worth is projected to



slow significantly to 0.3% in 2025, following 7.0% growth in 2024. Real household net worth is expected to decline 2.5% in 2026 and 0.8% in 2027, impacted by the projected decline in equities (such as stocks) of 8.8% in 2026 and 11.6% in 2027.

*Personal Consumption Expenditures.* Nominal PCE grew 5.3% in 2024, 1.4 percentage points more than previously forecast, with growth in spending on services (6.9%) outpacing spending on goods (1.8%). As a result, the shift by consumers from spending on goods to services continued, with purchases of services making up 68.5% of all PCE in 2024 (compared to 67.5% in 2023). The forecast projects that consumer spending will continue to shift towards services, with purchases of services making up 69.5% of all PCE by 2027.

S&P Global anticipates that nominal PCE growth will slow to 5.2% in 2025, 4.9% in 2026, and 4.3% in 2027. Sales of consumer items generally subject to the state sales tax (such as most durable goods, clothing, restaurant meals, accommodations, and certain services) grew by an estimated 3.5% in 2024, and are forecast to grow by 4.8% in 2025, 4.1% in 2026 and 3.3% in 2027. Real (inflation-adjusted) PCE is expected to slow from 2.7% in 2024 to 2.5% in 2025 and 1.8% in 2026, then increase to 2.3% in 2027.

*Monetary Policy.* As mentioned, the Federal Reserve decreased the federal funds rate three times in 2024, to a range of 4.25% to 4.50%. In addition, the Federal Reserve reduced its balance sheet of agency debt, mortgage-backed securities, and Treasuries by \$836 billion in 2024, to approximately \$6.9 trillion.

Going forward, two more federal funds rate decreases of 25 basis points each are expected in March and June, 2025. Then, S&P anticipates that the Federal Reserve will pause rate decreases until the third quarter of 2026, as proposed tariffs are expected to put upward pressure on prices. The forecast projects that rate decreases will resume at every other meeting, beginning in mid-2026 and ending in early 2027, when the federal funds rate is expected to reach a range of 3.00% to 3.25%. In 2024, the average 30-year fixed mortgage rate was 6.7%, down just slightly from 2023. In response to Federal Reserve rate reductions, mortgage rates are expected to decline to 6.3% in 2025, 5.9% in 2026, and 5.7% in 2027.

*Housing.* Housing starts declined 5.2% in 2024, lower than the 1.1% decline estimated in January, 2024. The average price of existing homes increased 4.4% in 2024 and the average price for new homes increased 0.2%. Existing home sales declined slightly in 2024, down 1.1% compared to 2023. Overall, sales of new and existing homes declined 0.7% in 2024.

Going forward, S&P Global estimates that a lower rate of household formation, a byproduct of lower immigration, will result in a continued decline in housing starts over the forecast period. Housing starts are projected to decline 3.0% in 2025, 3.5% in 2026, and 0.4% in 2027. Existing home sales are projected to increase 5.0% in 2025, 13.6% in 2026, and 4.4% in 2027, as lower mortgage rates over the forecast period ease the "lock-in" effect experienced by current homeowners. The average price of existing homes is expected to grow more slowly through 2027, increasing 3.8% in 2025, 3.6% in 2026, and 3.5% in 2027.

*Business Investment.* S&P Global estimates that nominal nonresidential fixed investment grew

5.4% in 2024, 2.2 percentage points higher than the January, 2024, estimate of 3.2%. Growth in 2024 was led by investment in intellectual property products (6.4%), followed by investment in equipment (5.8%) and in structures (3.1%). Inventories increased by an estimated \$43.6 billion in 2024 (from quarter four of 2023 to quarter four of 2024), up from the \$25.2 billion increase estimated in January, 2024. Going forward, S&P Global anticipates inventories will continue to increase another \$70.7 billion, \$100.0 billion, and \$94.9 billion in 2025, 2026, and 2027, respectively.

S&P Global expects that spending on semiconductor and electric vehicle battery plants has reached its peak. In addition, recent monetary policy tightening, although slowly beginning to reverse, has elevated borrowing costs for businesses. The forecast anticipates that these factors will slow growth in nominal nonresidential fixed investment from 5.4% in 2024 to 4.9% in 2025, 4.4% in 2026, and 1.4% in 2027.

*Corporate Profits.* Corporate before-tax book profits increased by an estimated 9.9% in 2024, 6.5 percentage points higher than previously forecast, and are forecast to increase 1.9% in 2025, decrease 1.3% in 2026, and increase 1.9% in 2027. Economic profits, which are adjusted for inventory valuation and capital consumption at current cost (and are not affected by federal tax laws), increased 6.5% in 2024 (5.7 percentage points higher than forecasted in January, 2024). S&P Global forecasts that economic profits will decrease 0.7% in 2025 and 3.2% in 2026, before increasing 1.8% in 2027. The current forecast assumes that the effective federal corporate tax rate for all industries was 14.2% in 2024, and will decline slightly to 14.0% in each year of the forecast period.

Under current law, the temporary 100% bonus depreciation provision enacted by the TCJA will continue to phase out, with the bonus depreciation percentage declining from 60% in 2024 to 40% in 2025, 20% in 2026, and 0% for property placed in service after 2026. In its January, 2025, forecast, S&P Global assumes that the phase-out of bonus depreciation will remain in place.

*Alternative Scenarios.* S&P Global's January, 2025, forecast also includes an optimistic and a pessimistic scenario. Under the optimistic scenario, S&P Global assigns a 25% probability that the U.S. will implement lower tariffs and experience less retaliation by trading partners than assumed in the baseline forecast. It assumes that lower tariffs will lead to lower near-term inflation. The optimistic scenario estimates CPI at 2.7% in 2025 and 2026, 0.2 and 0.5 percentage points lower than the baseline, respectively. In response, the Federal Reserve lowers the federal funds rate more quickly than in the baseline, reaching a range of 2.75% to 3.00% by mid-2026. However, economic strength and labor market tightness, illustrated by a steady (and lower) 4.3% unemployment rate over the forecast period, brings the estimate of 2027 CPI (2.5%) higher than in the baseline (2.2%). Under the optimistic scenario, fewer and slower deportations boost population growth compared to the baseline, increasing real PCE by 0.3, 1.3, and 0.7 percentage points in 2025, 2026, and 2027, respectively. The combination of lower tariffs and faster population growth increases economic output and financial conditions, which contributes to elevated business fixed investment. In turn, real GDP grows 2.3% in 2025, 2.6% in 2026, and 2.0% in 2027, higher growth of 0.3, 0.9, and 0.4 percentage points, respectively, relative to the baseline forecast.

Under the pessimistic scenario, to which S&P Global assigns a 25% probability, higher tariffs and a more noticeable retaliation by trading partners causes higher inflation than assumed in the baseline. Higher tariffs, paired with slower population growth as a result of stricter immigration

policy, have a more negative impact on economic output, financial conditions, and business fixed investment, compared to the baseline forecast. These factors contribute to higher inflation in 2025 (3.0%) and 2026 (3.6%), compared to the baseline, and give the Federal Reserve reason to pause rate reductions through all of 2026. Under the pessimistic scenario, the federal funds rate reaches a range of 3.25% to 3.50% in late 2027, which is 25 basis points above the baseline estimate. As such, real GDP grows 0.3, 0.7, and 0.5 percentage points slower than the baseline in 2025, 2026, and 2027, respectively. It is assumed that the unemployment rate will increase more than expected under the baseline, reaching 5.4% by mid-2027.

### General Fund Taxes

Table 3 shows general fund tax revenue estimates for 2024-25 and for each year of the 2025-27 biennium. Over the three-year period, these estimates are \$894.3 million higher than the projections of the November 20, 2024, report. By year, the estimates are higher by \$239.6 in 2024-25, \$355.2 million in 2025-26, and \$299.5 million in 2026-27. The new estimates are based on the most recent national economic forecast and year-to-date tax collections data. The estimates incorporate all law changes enacted to date, including reduced revenues associated with the expiration of 38 revenue agent project positions within the Department of Revenue (DOR).

**TABLE 3**

#### **Projected General Fund Tax Collections (\$ in Millions)**

	<u>2023-25 Biennium</u>		<u>2025-27 Biennium</u>	
	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>
	<u>Actual</u>	<u>Estimated</u>	<u>Estimated</u>	<u>Estimated</u>
Individual Income	\$9,717.6	\$10,420.0	\$11,140.0	\$11,880.0
General Sales & Use	7,587.5	7,760.0	8,140.0	8,375.0
Corporate Income/Franchise	2,702.1	2,770.0	2,415.0	1,785.0
Public Utility	399.5	384.0	404.0	394.0
Excise				
Cigarette	402.7	371.0	348.0	326.0
Tobacco Products	85.7	86.0	85.0	84.0
Vapor Products	7.1	7.1	7.2	7.3
Liquor and Wine	68.3	73.0	74.0	76.0
Beer	8.0	8.2	8.2	8.1
Insurance Company	242.6	263.0	270.0	275.0
Miscellaneous Taxes	<u>108.5</u>	<u>110.0</u>	<u>121.0</u>	<u>129.0</u>
Total	\$21,329.6	\$22,252.3	\$23,012.4	\$23,339.4
Change from Prior Year		\$922.7	\$760.1	\$327.0
Percent Change		4.3%	3.4%	1.4%

Over the three-year period, compared to the November 20 report, the estimates are higher for general sales and use taxes (\$615.9 million), which accounts for 69% of the increased revenue.

Insurance company taxes (\$24.9 million), public utility taxes (\$20.1 million), and miscellaneous taxes (\$8.0 million) have also been estimated higher over the three-year period, offset by excise taxes that are estimated lower by \$14.1 million.

Income and franchise tax revenues are estimated \$239.5 million higher over the three-year period, with individual income tax increases of \$1,858.7 million offset by corporate income/franchise tax decreases of \$1,619.2 million. The estimated revenue changes to income and franchise taxes primarily reflect federal tax law changes that will impact state pass-through entity (PTE) tax revenue. DOR records PTE revenues under the corporate income/franchise tax, rather than under the individual income tax.

Under current law, taxpayers may choose to file at the entity level if the value of their federal deduction for state and local taxes (SALT) exceeds the increased cost of paying the 7.9% PTE tax rate (which is higher than the rates and brackets that apply under the individual income tax). Taxpayers who file under the state PTE tax may deduct SALT without limit, whereas individual income tax filers cannot deduct state and local taxes exceeding \$10,000 annually. It is estimated that taxpayers will remit \$925 million under the PTE tax in 2024-25, which is estimated to be \$85 million more than what would have otherwise been paid under the individual income tax (\$840 million).

Under current federal law, the \$10,000 limit on the SALT deduction for individual filers expires after tax year 2025. Although it is possible some taxpayers may continue to file under the PTE tax, it is assumed that current pass-through businesses would lack an economic incentive to file under the PTE tax and, instead, would file under the state individual income tax beginning in tax year 2026. Expiration of the federal SALT deduction limit is estimated to reduce income and franchise tax revenues by \$25.0 million in 2025-26 and \$85.0 million in 2026-27, comprised of increased individual income tax revenues of \$250.0 million in 2025-26 and \$840.0 million in 2026-27 and lower corporate income/franchise tax revenues of \$275.0 million in 2025-26 and \$925.0 million in 2026-27.

*Individual Income Tax.* Total individual income tax collections in 2023-24 were \$9,717.6 million, representing growth of 3.2% relative to the prior year. Actual collections in 2023-24 were 1.9% (\$177.6 million) higher than the January, 2024, estimate.

Based on collections information through December, 2024, year-to-date collections in 2024-25 are 8.4% (\$364.6 million) higher than the same time period in the prior year. Over the remainder of 2024-25, total revenues are expected to increase by 6.3% (relative to the same period in 2023-24) to an annual total of \$10,420.0 million. This estimate represents annual collections growth of 7.2%. This is driven primarily by: (a) year-to-date withholding collections that are 7.2% higher than the prior year through December; and (b) a significant increase in capital gains-related tax receipts expected to occur over the remainder of 2024-25. High levels of capital gains realizations in tax year 2024 are expected to increase tax payments, primarily in April, 2025, by nearly \$240 million relative to the prior year. By 2026-27, realization activity is expected to return to levels more in line with historical trends.

The most significant law change weighing on collections growth in 2024-25 is the impact, beginning in tax year 2024, of the expanded child and dependent care expenses credit under 2023

Act 101. The credit is estimated to reduce individual income tax collections by \$72.9 million annually, beginning in 2024-25. This fiscal impact is expected to result in increased refunds paid over the remainder of 2024-25, once eligible taxpayers begin to file their tax year 2024 returns.

In 2025-26, total individual income tax revenues are expected to increase by 6.9% to \$11,140.0 million. Wages and salaries are currently forecast to grow significantly in 2025-26, which corresponds to continued increases in estimated withholding collections. The scheduled expiry of the federal SALT deduction limitation in tax year 2026 is expected to cause current PTE tax filers to revert to filing and paying under the individual income tax, beginning with estimated payments made in the latter half of 2025-26. The estimated effect of this filing shift on individual income tax collections is an increase of \$250.0 million (2.4 percentage points of growth) in 2025-26.

In 2026-27, annual collections growth of 6.6% is anticipated, resulting in total estimated revenues of \$11,880.0 million. Withholding growth is expected to moderate, but collections are buoyed by the continued shift of revenue from the PTE tax to the individual income tax, which is estimated to increase collections relative to the prior year by \$590.0 million (5.3 percentage points of growth).

*General Sales and Use Tax.* State sales and use tax revenues totaled \$7,587.5 million in 2023-24, and are estimated at \$7,760.0 million in 2024-25 (2.3% over the prior year). Year-to-date sales tax collections through December are \$86.7 million (2.7%) over the same period in the previous year, and are expected to grow 2.0% for the remaining months of 2024-25. The estimate accounts for various sales tax exemptions enacted during the 2023-25 biennium, as well as large refund and audit payments previously made or anticipated over the remainder of the year.

Sales tax revenues in the next biennium are estimated at \$8,140.0 million in 2025-26 and \$8,375.0 million in 2026-27, reflecting growth of 4.9% and 2.9%, respectively. These estimates reflect higher November and December collections (compared to November projections) and utilize an updated forecast from S&P Global that incorporates President Trump's proposed tariff policies, which are expected to increase inflation and nominal consumer spending.

*Corporate Income/Franchise Tax.* Corporate income/franchise taxes were \$2,702.1 million in 2023-24, which is a decrease of 1.7% from the previous year. Corporate tax revenues are projected to be \$2,770.0 million in 2024-25 (a 2.5% increase). The estimate reflects year-to-date corporate tax collections, which have increased 3.8% compared to the same period through December of last year. Collections are estimated to be bolstered this year by the one-time effects from large audit payments to date and previously enacted state and federal law changes to the supplement to the federal historic rehabilitation credit (which reduces the cost of the credit relative to 2023-24).

For the next biennium, corporate tax revenues are projected to be \$2,415.0 million in 2025-26 (a 12.8% decrease) and \$1,785.0 million in 2026-27 (a 26.1% decrease). These large declines are anticipated due to two factors. First, as stated above, it is assumed that the expiration of the \$10,000 limit for deductions of state and local taxes under current federal law will cause pass-through entity filers to elect to pay tax under the individual income tax rather than the corporate income/franchise tax, causing collections under the corporate income/franchise tax to substantially decrease after tax year 2025 by \$275.0 million in 2025-26 (a 10% decrease in estimated collections for that year) and

by \$925.0 million in 2026-27 (a 34% decrease in estimated collections).

Second, in addition to the changes under the PTE tax, it is estimated that growth in corporate collections will decline. The one-time effects boosting audit payments in 2024-25 are not anticipated to continue, and the forecasted growth in both economic profits (-3.9% in 2025-26 and +0.5% in 2026-27) and book profits (-0.6% in 2025-26 and +0.4% in 2026-27) is projected to reduce collections relative to the baseline 2024-25 amount.

*Public Utility Taxes.* Revenues from public utility taxes totaled \$399.5 million in 2023-24, and are estimated at \$384.0 million in 2024-25, \$404.0 million in 2025-26, and \$394.0 million in 2026-27. Year-over-year, these amounts represent a decrease of 3.9% in 2024-25, an increase of 5.2% in 2025-26, and a decrease of 2.5% in 2026-27.

The estimated decline in collections in 2024-25 is due to a combination of slowing electricity sales, declining natural gas sales, and a continued decline in the statewide net property tax rate. Data reported by Wisconsin utilities from January through September, 2024, show an increase of 0.3% for electricity sales and a 19.1% decrease in natural gas sales. Collections are expected to recover in 2025-26, as electricity and natural gas sales increase and property tax rates moderate.

Estimated tax payments from telecommunications companies are anticipated to decline in 2027 once the personal property exemption enacted under 2023 Act 140 takes effect. It is assumed that the exemption will first affect May, 2027, estimated payments, reducing 2026-27 collections. However, the full effect of the exemption will not be realized until 2027-28.

*Excise Taxes.* General fund excise taxes are imposed on cigarettes, liquor (including wine and hard cider), other tobacco products, vapor products, and beer. In 2023-24, excise tax collections totaled \$571.8 million, of which \$402.7 million (70.4%) was from the excise tax on cigarettes. Total excise tax collections in 2023-24 represented a decrease of 7.4% from the prior fiscal year, primarily driven by a decrease in cigarette tax collections of 9.4% compared to the prior year. Excise tax revenues are estimated at \$545.3 million in 2024-25, which represents a 4.6% decrease in revenues. Excise tax revenues over the next biennium are estimated to decrease by 4.2% to \$522.4 million in 2025-26 and by 4.0% to \$501.4 million in 2026-27. The estimates reflect the ongoing trend of declining cigarette consumption, a more recent trend of declining tobacco tax revenue, and modest growth in other excise tax categories.

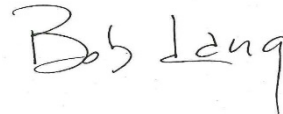
*Insurance Premiums Taxes.* Insurance premiums taxes were \$242.6 million in 2023-24. Revenues are projected to increase to \$263.0 million in 2024-25, \$270.0 million in 2025-26, and \$275.0 million in 2026-27. The new estimates are based on 12.4% growth in year-to-date insurance premiums tax collections (which reflect more growth than anticipated in November), forecasted growth in spending on insurance and financial services, and historic collections trends under the insurance premiums tax.

*Miscellaneous Taxes.* Miscellaneous taxes include the real estate transfer fee, municipal and circuit court-related fees, and a small amount from the occupational tax on coal. Miscellaneous tax revenues were \$108.5 million in 2023-24, of which 87.3% was generated from the transfer fee. Based on the economic forecast for the housing sector, as well as collections through December, 2024,

miscellaneous taxes are projected to increase to \$110.0 million in 2024-25, which represents a 1.4% increase from 2023-24 collections. Miscellaneous tax revenues are estimated to increase 10.0%, to \$121.0 million, in 2025-26, and by 6.6%, to \$129.0 million, in 2026-27. Large increases in 2025-26 and 2026-27 are driven by S&P Global's estimates of increased existing home sales.

This office will continue to monitor state revenues and expenditures and new economic forecasts, and notify you and your colleagues of any further adjustments that may be necessary.

Sincerely,

A handwritten signature in black ink that reads "Bob Lang". The signature is written in a cursive, slightly informal style.

Robert Wm. Lang  
Director

RWL/lb

cc: Members, Wisconsin Legislature

**APPENDIX B**

**GENERAL OBLIGATION ISSUANCE STATUS REPORT**

**February 1, 2025**

Program Purpose	Legislative Authorization	General Obligations Issued to Date	Credit to Capital Improvement Fund <sup>(a)</sup>		G.O. Bonds of 2025, Series A <sup>(b)</sup>	Total Authorized Unissued Debt
			Interest Earnings	Premium		
University of Wisconsin; academic facilities .....	\$3,564,643,100	\$2,852,915,559	\$15,502,412	\$170,588,721	\$95,000,000	\$430,636,408
University of Wisconsin; self-amortizing facilities .....	3,535,738,100	2,801,119,308	4,262,443	139,041,493	38,918,000	552,396,856
Natural resources; Warren Knowles-Gaylord Nelson stewardship 2000 program .....	1,178,850,000	1,005,968,847	899,432	49,508,085	9,388,683	113,084,953
Natural resources; municipal clean drinking water grants .....	9,800,000	9,518,744	141,818	-0-	-0-	139,438
Clean water fund program .....	659,783,200	655,062,282	-0-	4,641,114	-0-	79,804
Safe drinking water loan program .....	74,950,000	69,215,472	123	2,183,403	-0-	3,551,002
Natural resources; nonpoint source grants .....	94,310,400	93,954,702	190,049	165,649	-0-	-0-
Natural resources; nonpoint source .....	57,050,000	43,521,594	116,896	4,605,294	-0-	8,806,216
Natural resources; environmental repair .....	57,000,000	52,962,122	203,607	883,312	-0-	2,950,959
Natural resources; urban nonpoint source cost- sharing .....	61,600,000	55,676,641	108,838	3,507,635	-0-	2,306,886
Natural resources; contaminated sediment removal .....	40,000,000	33,392,678	112,086	2,438,427	-0-	4,056,809
Natural resources; environmental segregated fund supported administrative facilities .....	19,969,200	16,543,231	4,963	1,376,119	25,204	2,019,683
Natural resources; segregated revenue- supported dam safety projects .....	6,600,000	6,571,582	623	27,795	-0-	-0-
Natural resources; pollution abatement and sewage collection facilities, ORAP funding .....	145,060,325	145,010,325	50,000	-0-	-0-	-0-
Natural resources; pollution abatement and sewage collection facilities .....	893,493,400	874,927,239	18,513,077	-0-	-0-	53,084
Natural resources; pollution abatement and sewage collection facilities; combined sewer overflow .....	200,600,000	194,312,599	6,287,401	-0-	-0-	-0-
Natural resources; recreation projects .....	56,055,000	56,053,994	1,006	-0-	-0-	-0-
Natural resources; local parks land acquisition and development .....	2,490,000	2,447,741	42,259	-0-	-0-	-0-
Natural resources; recreation development .....	36,323,200	23,506,011	141,325	83,792	2,231,677	10,360,395



Program Purpose	Legislative Authorization	General Obligations Issued to Date	Credit to Capital Improvement Fund <sup>(a)</sup>		G.O. Bonds of 2025, Series A <sup>(b)</sup>	Total Authorized Unissued Debt
			Interest Earnings	Premium		
Natural resources; land acquisition .....	\$45,608,600	\$45,116,929	\$491,671	-0-	-0-	-0-
Natural resources; Wisconsin natural areas heritage program .....	2,500,000	2,445,793	17,174	-0-	-0-	\$37,033
Natural resources; segregated revenue- supported facilities .....	188,110,400	113,566,820	142,159	\$7,533,862	\$5,923,903	60,943,656
Natural resources; general fund supported administrative facilities .....	16,514,100	15,260,114	21,753	812,999	18,273	400,961
Natural resources; ice age trail .....	750,000	750,000	-0-	-0-	-0-	-0-
Natural resources; dam safety projects .....	39,500,000	28,127,374	218,206	2,414,148	-0-	8,740,272
Natural resources; segregated revenue- supported land acquisition .....	2,500,000	2,500,000	-0-	-0-	-0-	-0-
Natural resources; Warren Knowles-Gaylord Nelson stewardship program .....	231,000,000	229,300,484	1,306,901	144,011	-0-	248,604
Transportation; administrative facilities .....	8,890,400	8,759,479	33,943	-0-	-0-	96,978
Transportation; accelerated bridge improvements .....	46,849,800	46,849,800	-0-	-0-	-0-	-0-
Transportation; major interstate bridge construction .....	624,800,000	235,980,986	64	34,027,801	30,000,000	324,791,149
Transportation; rail passenger route development .....	89,000,000	73,336,497	11,700	2,929,745	-0-	12,722,058
Transportation; accelerated highway improvements .....	185,000,000	185,000,000	-0-	-0-	-0-	-0-
Transportation; connecting highway improvements .....	15,000,000	15,000,000	-0-	-0-	-0-	-0-
Transportation; federally aided highway facilities .....	10,000,000	10,000,000	-0-	-0-	-0-	-0-
Transportation; highway projects .....	41,000,000	41,000,000	-0-	-0-	-0-	-0-
Transportation; major highway and rehabilitation projects .....	565,480,400	565,480,400	-0-	-0-	-0-	-0-
Transportation; southeast rehabilitation projects, southeast megaprojects, and high-cost bridge projects .....	1,453,550,000	1,293,436,557	3,480,308	111,270,522	16,615,000	28,747,613
Transportation; state highway rehabilitation projects, southeast megaprojects .....	820,063,700	781,605,306	1,182,898	37,275,497	-0-	-0-
Transportation; major highway projects .....	100,000,000	98,948,179	6	1,051,814	-0-	1
Transportation; state highway rehabilitation, certain projects .....	141,000,000	134,924,101	45	6,075,854	-0-	-0-

Program Purpose	Legislative Authorization	General Obligations Issued to Date	Credit to Capital Improvement Fund <sup>(a)</sup>		G.O. Bonds of 2025, Series A <sup>(b)</sup>	Total Authorized Unissued Debt
			Interest Earnings	Premium		
Transportation; major highway and rehabilitation projects subject to joint committee on finance approval.....	\$305,227,664	\$261,535,522	\$145,989	\$43,546,154	-0-	-0-
Transportation; design-build projects .....	20,000,000	17,714,991	8,114	2,276,895	-0-	-0-
Transportation; southeast Wisconsin freeway megaprojects subject to contingency .....	252,400,000	208,329,958	116,348	33,302,158	-0-	\$10,651,536
Transportation; harbor improvements.....	167,300,000	141,678,115	295,885	13,433,309	-0-	11,892,691
Transportation; rail acquisitions and improvements and intermodal freight facilities .....	300,300,000	226,865,985	40,668	24,890,957	\$4,715,000	43,787,390
Transportation; local roads for job preservation, state funds .....	2,000,000	2,000,000	-0-	-0-	-0-	-0-
Corrections; correctional facilities .....	989,501,800	919,420,604	11,626,404	19,169,020	7,000,000	32,285,772
Corrections; self-amortizing facilities and equipment.....	2,116,300	2,115,438	99	-0-	-0-	763
Corrections; juvenile correctional facilities .....	74,443,200	32,453,338	142,460	486,081	2,150,000	39,211,321
Secured residential care centers for children and youth.....	80,000,000	28,917,924	67,136	4,089,770	10,000,000	36,925,170
Health services; mental health and secure treatment facilities .....	358,796,500	293,483,708	1,699,235	17,899,520	-0-	45,714,037
Agriculture; soil and water.....	82,075,000	74,855,363	54,756	4,999,263	885,582	1,280,036
Agriculture; conservation reserve enhancement .....	28,000,000	21,388,345	13,187	1,065,484	123,095	5,409,889
Administration; Black Point Estate.....	1,600,000	1,598,655	445	-0-	-0-	900
Administration; energy conservation projects; capital improvement fund .....	295,000,000	187,274,489	121,548	13,750,941	2,000,000	91,853,022
Building commission; previous lease rental authority .....	143,071,600	143,068,654	-0-	-0-	-0-	2,946
Building commission; refunding tax-supported general obligation debt.....	2,102,086,430	2,102,086,530	-0-	-0-	-0-	-0-
Building commission; refunding self-amortizing general obligation debt.....	272,863,033	272,863,033	-0-	-0-	-0-	-0-
Building commission; refunding tax-supported and self-amortizing general obligation debt incurred before June 30, 2005 .....	250,000,000	250,000,000	-0-	-0-	-0-	-0-
Building commission; refunding tax-supported and self-amortizing general obligation debt before July 1, 2011 .....	474,000,000	473,651,084	-0-	-0-	-0-	348,916

Program Purpose	Legislative Authorization	General Obligations Issued to Date	Credit to Capital Improvement Fund <sup>(a)</sup>		G.O. Bonds of 2025, Series A <sup>(b)</sup>	Total Authorized Unissued Debt
			Interest Earnings	Premium		
Building commission; refunding tax-supported and self-amortizing general obligation debt before July 1, 2013 .....	\$264,200,000	\$263,420,000	-0-	-0-	-0-	\$780,000
Building commission; refunding tax-supported and self-amortizing general obligation debt .....	11,235,000,000	8,709,616,046 <sup>(b)</sup>	-0-	-0-	-0-	2,525,383,954
Building commission; housing state departments and agencies .....	1,007,603,300	787,074,853	\$2,467,289	\$43,308,447	\$6,500,000	168,252,711
Building commission; 1 West Wilson Street parking ramp .....	15,100,000	14,805,521	294,479	-0-	-0-	-0-
Building commission; project contingencies .....	47,961,200	47,519,700	64,990	227,408	-0-	149,102
Building commission; capital equipment acquisition .....	125,660,000	123,961,256	740,327	343,697	-0-	614,720
Building commission; discount sale of debt .....	90,000,000	73,492,486	-0-	-0-	-0-	16,507,514
Building commission; discount sale of debt (higher education bonds) .....	100,000,000	99,988,833 <sup>(c)</sup>	-0-	-0-	-0-	11,167
Building commission; other public purposes .....	3,313,406,900	2,932,114,952	10,889,963	131,859,651	41,504,138	197,038,196
Medical College of Wisconsin, Inc.; basic science education and health information technology facilities .....	10,000,000	10,000,000	-0-	-0-	-0-	-0-
Norskedalen Nature and Heritage Center .....	1,048,300	-0-	-0-	-0-	-0-	1,048,300
Bond Health Center .....	1,000,000	983,307	10	16,682	-0-	1
Lac du Flambeau Indian Tribal Cultural Center ..	250,000	210,495	1	39,504	-0-	-0-
Dane County; livestock facilities .....	9,000,000	7,577,838	28	1,422,134	-0-	-0-
K I Convention Center .....	2,000,000	1,725,394	83	274,522	-0-	1
HR Academy, Inc. ....	1,500,000	1,500,000	-0-	-0-	-0-	-0-
Medical College of Wisconsin, Inc.; biomedical research and technology incubator; cancer research facility .....	45,000,000	33,909,754	16	926,706	-0-	10,163,524
AIDS Resource Center of Wisconsin, Inc. ....	800,000	800,000	-0-	-0-	-0-	-0-
Bradley Center Sports and Entertainment Corporation .....	5,000,000	4,869,946	-0-	130,053	-0-	1
Medical College of Wisconsin, Inc.; community medical education facilities .....	7,384,300	6,492,766	3,054	785,486	-0-	102,994
Family justice center .....	10,625,000	9,109,385	49	1,515,566	-0-	-0-
Marquette University; dental clinic and education facility .....	25,000,000	23,942,671	822	1,056,507	-0-	-0-

Program Purpose	Legislative Authorization	General Obligations Issued to Date	Credit to Capital Improvement Fund <sup>(a)</sup>		G.O. Bonds of 2025, Series A <sup>(b)</sup>	Total Authorized Unissued Debt
			Interest Earnings	Premium		
Civil War exhibit at the Kenosha Public Museums .....	\$500,000	\$500,000	-0-	-0-	-0-	-0-
AIDS Network, Inc. ....	300,000	300,000	-0-	-0-	-0-	-0-
Wisconsin Maritime Center of Excellence .....	5,000,000	4,383,263	\$64	\$616,673	-0-	-0-
Milwaukee Police Athletic League; youth activities center .....	1,000,000	1,000,000	-0-	-0-	-0-	-0-
Hmong cultural center .....	250,000	250,000	-0-	-0-	-0-	-0-
Children's research institute .....	10,000,000	10,000,000	-0-	-0-	-0-	-0-
Domestic Abuse Intervention Services, Inc. ....	560,000	476,628	45	83,327	-0-	-0-
Carroll University .....	3,000,000	2,393,935	49	403,127	-0-	\$202,889
Wisconsin Agriculture Education Center, Inc. ....	5,000,000	4,522,862	49	477,090	-0-	-0-
Eau Claire Confluence Arts, Inc. ....	15,000,000	13,462,195	38	1,537,766	-0-	1
Psychiatric and behavioral health treatment beds; Marathon County .....	5,000,000	4,492,343	35	507,623	-0-	-0-
Administration; school educational technology infrastructure financial assistance .....	71,911,300	71,480,216	431,066	-0-	-0-	18
Myrick Hixon EcoPark, Inc. ....	500,000	500,000	-0-	-0-	-0-	-0-
Madison Children's Museum .....	250,000	250,000	-0-	-0-	-0-	-0-
Administration; public library educational technology infrastructure financial assistance ..	269,000	268,918	42	-0-	-0-	40
La Crosse Center .....	5,000,000	4,104,366	73	895,560	-0-	1
St. Ann Center for Intergenerational Care, Inc.; Bucyrus Campus .....	5,000,000	4,245,324	51	754,625	-0-	-0-
Brown County innovation center .....	5,000,000	4,128,541	29	740,590	\$130,840	-0-
Beyond Vision; VisABILITY Center .....	5,000,000	4,681,064	19	318,917	-0-	-0-
Building Commission; projects .....	25,000,000	7,870,503	31,760	793,378	1,250,000	15,054,359
Center .....	15,000,000	13,701,388	-0-	1,295,419	-0-	3,193
Museum of nature and culture .....	40,000,000	-3,501,073-	16,537	498,903	5,250,000	30,733,487
Educational communications board; educational communications facilities .....	24,169,000	24,112,683	38,515	11,925	-0-	5,877
Grand Opera House in Oshkosh .....	500,000	500,000	-0-	-0-	-0-	-0-
Aldo Leopold climate change classroom and interactive laboratory .....	500,000	485,000	8	14,992	-0-	-0-
Historical society; self-amortizing facilities .....	1,029,300	1,029,156	3,896	-0-	-0-	-0-
Historical society; historic records .....	26,650,000	22,951,919	137	3,169,487	-0-	528,457

Program Purpose	Legislative Authorization	General Obligations Issued to Date	Credit to Capital Improvement Fund <sup>(a)</sup>		G.O. Bonds of 2025, Series A <sup>(b)</sup>	Total Authorized Unissued Debt
			Interest Earnings	Premium		
Historical society; historic sites .....	\$17,912,800	\$11,265,493	\$847	\$617,342	\$200,000	\$5,829,118
Historical society; museum facility .....	74,384,400	9,176,564	24,805	685,874	1,000,000	63,497,157
Historical society; Wisconsin history center .....	16,000,000	8,642,568	457	1,360,780	-0-	5,996,195
Public instruction; state school, state center and library facilities .....	37,350,600	11,845,469	32,509	467,826	-0-	25,004,796
Military affairs; armories and military facilities ..	81,922,400	50,247,269	313,115	2,771,887	3,484,713	25,105,416
Veterans affairs; veterans facilities .....	27,359,900	13,426,969	55,447	567,356	940,022	12,370,106
Veterans affairs; self-amortizing mortgage loans	2,122,542,395	2,122,542,395	-0-	-0-	-0-	-0-
Veterans affairs; refunding bonds .....	1,015,000,000	761,594,245	-0-	-0-	-0-	253,405,755
Veterans affairs; self-amortizing facilities .....	103,852,100	53,847,141	10,124	6,067,090	224,350	43,703,395
State fair park board; board facilities .....	14,787,100	14,769,363	1	-0-	-0-	17,736
State fair park board; housing facilities .....	11,000,000	10,999,985	15	-0-	-0-	-0-
State fair park board; self-amortizing facilities ....	67,537,100	55,302,244	37,505	360,668	821,520	11,015,163
Total .....	<u>\$41,700,791,247</u>	<u>\$35,063,737,511</u>	<u>\$83,275,809</u>	<u>\$968,421,232</u>	<u>\$286,300,000</u>	<u>\$5,299,060,551</u>

- (a) Amounts previously credited to the Capital Improvement Fund (which include interest earnings and may include sale proceeds representing purchase premium) reduce issuance authority by the same amount.
- (b) Preliminary; subject to change. Amounts include aggregate of par amount of Bonds issued and purchase premium expected to be received from the sale of the Bonds and credited to the Capital Improvement Fund.
- (c) Does not reflect the State of Wisconsin General Obligation Refunding Bonds of 2025, Series 1 (Forward Delivery) and State of Wisconsin General Obligation Refunding Bonds of 2025, Series 2 (Forward Delivery), each dated February 4, 2025. Also does not reflect the State of Wisconsin General Obligation Refunding Bonds of 2025, Series 3, dated February 27, 2025.
- (d) Accrued interest on any obligation that is not paid during the fiscal year in which it accrues is treated as debt and taken into account for purposes of the statutory authority to issue debt.

**Source: Department of Administration**

## APPENDIX C

### EXPECTED FORM OF BOND COUNSEL OPINION

*Upon delivery of the Bonds, it is expected that Foley & Lardner LLP will deliver a legal opinion in substantially the following form:*

(Letterhead of Foley & Lardner LLP)

State of Wisconsin Building Commission  
101 East Wilson Street, 7<sup>th</sup> Floor  
Madison, Wisconsin 53703

**\$253,905,000\***  
**STATE OF WISCONSIN**  
**GENERAL OBLIGATION BONDS OF 2025, SERIES A**

We have acted as bond counsel in connection with the issuance by the State of Wisconsin (**State**) of its \$253,905,000\* General Obligation Bonds of 2025, Series A, dated the date hereof (**Bonds**). The Bonds are authorized by Article VIII of the Wisconsin Constitution and Chapters 18 and 20 of the Wisconsin Statutes, and are being issued pursuant to 2025 State of Wisconsin Building Commission Resolution 1 adopted on February 27, 2025 (**Resolution**) by the State of Wisconsin Building Commission (**Commission**).

We examined the law, a certified copy of the proceedings relating to the issuance of the Bonds, and certifications of public officials and others. As to questions of fact material to our opinion, we relied upon those certified proceedings and certifications without independently undertaking to verify them.

Based upon this examination, it is our opinion that, under existing law:

1. The Bonds are valid and binding general obligations of the State.
2. The Resolution has been duly adopted by the Commission is a valid and binding obligation of the State, enforceable upon the State as provided in the Resolution.
3. The full faith, credit, and taxing power of the State are irrevocably pledged to the payment of the principal of, and premium, if any, and interest on, the Bonds as the Bonds mature and become due. There has been irrevocably appropriated, as a first charge upon all revenues of the State, a sum sufficient for such purpose.
4. Interest on the Bonds is excludable from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (**Code**) and is not treated as an item of tax preference for purposes of computing the federal alternative minimum tax imposed on individuals under the Code; however, interest on the Bonds is included in determining the “adjusted financial statement income” of certain corporations on which the federal alternative minimum tax is imposed under the Code. The foregoing opinions are subject to the condition that the State complies with all requirements of the Code that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be excludable from gross income for federal income tax purposes. The State has agreed to do so. Its failure to do so may cause interest on the Bonds to be included in gross income for federal income tax purposes, in some cases retroactively to the date the Bonds were issued. We express no opinion about other federal tax law consequences regarding the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors’ rights and by equitable

\*Preliminary; subject to change.

principles (which may be applied in either a legal or an equitable proceeding). This letter expresses no opinion as to the availability of any particular form of judicial relief.

We have not been engaged or undertaken to review the accuracy, completeness, or sufficiency of the Official Statement dated \_\_\_\_\_, 2025 or other offering material relating to the Bonds (except to the extent, if any, stated in the Official Statement), and we express no opinion as to those matters (except only the matters set forth as our opinion in the Official Statement).

This letter speaks as of its date. We assume no duty to change this letter to reflect any facts or circumstances that later come to our attention or any changes in law. In acting as bond counsel, we have established an attorney-client relationship solely with the State.

Very truly yours,

Foley & Lardner LLP

