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# *Consensus Revenue Estimating Group*

Date: July 29, 2025

To: Governor Mark Gordon
Members, 68th Legislature

From: Kevin Hibbard, Co-chairman
Don Richards, Co-chairman

Subject: July 2025 Revenue Update

***Purpose of Update*** *– This revenue pacing update and the accompanying table, taken in combination with the October 2024 and January 2025 Consensus Revenue Estimating Group (CREG) forecasts, are intended to provide a quarterly summary of the state's revenue collections from major sources. A similar revenue update is issued in April of each year. The January 13, 2025 CREG report remains the official fiscal forecast and is used to derive the revenue pacing expectations in this update. The March 20, 2025 fiscal profile remains the Legislative Service Office's (LSO's) estimate of projected account balances as of June 30, 2026. This update does not formally modify the official CREG revenue forecast or the LSO fiscal profile. The information in this update represents revenue collections received and reported from July 2024 through June 2025, unless otherwise noted.*

*A summary table of selected revenues deposited into the General Fund (GF), Budget Reserve Account (BRA), and Public School Foundation Program Account (SFP) is located at the end of this update. Additionally, revenues collected from mineral severance taxes, federal mineral royalties (FMRs), and state mineral royalties are included in the summary table. Column A shows the January 2025 CREG forecast of total fiscal year (FY) 2025 revenue by major source. Column B contains the actual year-to-date (YTD) revenue received. Column C represents the forecast through June 2025 unless otherwise noted. Column D is the difference between the actual YTD revenues collected and the forecast YTD revenues (column B minus column C). Column E is the percentage of the forecast amount that has been received (column B divided by column A). Column F illustrates the percentage of the forecast amount expected at this point in the fiscal year based upon revenue pacing estimates informed by prior year collections (column C divided by column A). Column G shows the pacing difference of the actual revenue collected YTD as a percentage of the total amount forecast for FY 2025 minus the FY 2025 forecast YTD as a percentage (column E minus column F). Occasionally, percentages may vary due to rounding.*

**Summary** – Overall, with the exception of state royalties and sales and use tax, actual FY 2025 revenue is pacing ahead of the January 2025 CREG forecast. Total revenue collections for the GF and BRA, excluding realized capital gains or the spending policy guarantee, exceed the CREG forecast by $42.6 million (2.3 percent). While the revenue from severance taxes and FMRs are currently pacing ahead of the January 2025 CREG forecast, it is reasonable to anticipate these revenue collections may decrease as remaining accrued revenues are collected, mostly reflecting the continued weaker than forecast oil prices through the balance of FY 2025. Actual FY 2025 state mineral royalties on school lands fell short of the January 2025 CREG forecast by -$11.25 million (-8.9 percent); however, actual FY 2025 lease and bonus revenue on school lands exceeded the forecast by $4.2 million (20.8 percent).

This update includes actual FY 2025 investment income, including interest, dividends, and realized and distributed capital gains (losses) as provided by the Wyoming State Treasurer's Office (STO) through May 31, 2025, for the GF, PWMTF and Common School Account within Permanent Land Fund (CSPLF). Importantly, CREG does not forecast investment income from capital gains or losses. Through May, investment income derived from the PWMTF totals $736.4 million exceeding the PWMTF statutory spending policy amount by approximately $259.0 million, and investment income derived from the CSPLF totals $376.5 million, exceeding the CSPLF statutory spending policy amount by approximately $143.9 million.

Final FY 2025 revenues will be released with the October 2025 CREG report.

**General Fund –** The three largest sources of revenue for the GF (sales and use taxes, investment income and severance taxes) are listed separately in the summary table. All other GF revenue sources (franchise taxes, cigarette taxes, charges from sales and services, fees, penalties and interest, etc.) are classified collectively for the purposes of this update.

As shown in line six, columns D and G of the summary table, actual total revenues received and directed to the GF, without consideration of realized capital gains, are outpacing projections by $16.8 million (1.1 percent) mainly due to the strength of pooled income from dividends and interest. Franchise taxes in the "All Other" category, and severance taxes, also contributed meaningfully to the GF revenues.

The January 2025 CREG forecast expected a year-over-year increase in FY 2025 sales and use tax collections of 0.7 percent ($4.5 million). However, actual GF sales and use tax collections lag behind the forecast by -$8.2 million (-1.3 percent), and the total FY 2025 cash-based statewide sales and use tax collections are 2.5 percent lower than in FY 2024, which is the first drop in collections since FY 2021. Impact assistance payments to local governments amount to $12.2 million in FY 2025 (significantly less than $24.0 million in FY 2024) and reduce the GF share of statewide sales and use tax collections. More than half of the major industrial sectors experienced a decrease in collections compared to FY 2024. Despite the moderate increase in active oil and gas drilling activities, Wyoming's pivotal industry, mining, demonstrated a steep decline from FY 2024 collections, perhaps reflecting the accelerated efficiency in mineral extraction operations. Mining (-21.9 percent) and transportation and warehousing (-19.7 percent) led the contraction of collections. Collections from utilities and other services (mostly reflecting taxes from automotive and machinery repair and maintenance) each decreased by approximately 6.0 percent. Retail trade collections (excluding that of motor vehicles), the largest industry sector in terms of sales tax collections, increased 0.8 percent, the weakest since FY 2017. The construction industry led the annual growth with 24.0 percent, while manufacturing and information showed increases of 4.7 percent and 4.8 percent, respectively. Finally, sales and use taxes from online shopping (a sub-sector of retail trade) continued its strong growth, increasing 12.2 percent.

Year-over-year statewide sales and use tax collections decreased in 11 counties. Platte (-13.1 percent), Uinta, Sweetwater, and Converse counties all experienced double-digit decreases. These counties suffered either from reduced utilities construction or decreased mineral exploration activities in FY 2025. Hot Springs (20.8 percent), Johnson (13.1 percent), Washakie (10.2 percent), Big Horn (8.8 percent), and Park (8.8 percent) counties experienced larger increases in collections compared to FY 2024. However, except for Johnson County, the increases in these four Big Horn Basin counties are primarily attributable to a FY 2024 tax refund (back to businesses) due to an audit finding, which benefited the annual comparison. Broad-based slowdowns in consumer consumption and oil and gas drilling collections played a large role in weakening sales and use tax collections.

Severance taxes directed to the GF in FY 2025 are ahead of the January 2025 CREG forecast by $5.5 million (3.2 percent). Wyoming oil production is moderately higher than the forecast level, while the FY year-to-date prices are nearly equal to the forecast. Although oil prices have been much less volatile, they have generally been in a declining trend since the summer of 2024, particularly dropping to lower levels since the spring. In contrast, the U.S. benchmark Henry Hub natural gas spot price has increased since late 2024, due to weather-related strong demand and reduced storage inventories. Wyoming producers have consistently received prices higher than the benchmark. After two consecutive years of decline, the state's coal production has been experiencing year-over-year increases in 2025, driven by increasing natural gas prices. Meanwhile, coal inventories declined moderately due to the increased demand from power plants.

Interest and dividends generated from the PWMTF through May 31, 2025, total $242.6 million, short of the forecast by $29.5 million (-9.9 percent). However, the anticipated but not forecast realized capital gains from the PWMTF for FY 2025 are approximately $493.8 million. Through May, FY 2025 investment income derived from the PWMTF totals $736.4 million, which surpasses the full statutory spending policy amount of $477.4 million, or 5 percent of the five-year average market value of the PWMTF, by $259 million. In accordance with W.S. 9-4-719, the first 2.5 percent of the five-year market value of the corpus ($238.7 million) derived from any investment earnings, will be deposited into and remain in the GF. Assuming no change during the last month of FY 2025, investment earnings in excess of 2.5 percent of the five-year market value of the corpus but less than the SPA of 5 percent of the five-year average market value of the corpus, will be transferred to the Strategic Investments and Projects Account (SIPA).[1] The investment income exceeding 5 percent of the five-year average market value of the PWMTF, $259 million, if sustained, would be distributed to the PWMTF Spending Policy Reserve Account (PWMTF RA) for FY 2025.

Interest and dividends directed to the GF through May from the LSRA and State Agency Pool (pooled income) surpass CREG's projection by $30.5 million (23.6 percent). Additionally, the LSRA has $10.0 million in net realized capital gains through May, which are distributed to the GF. Investment earnings including net realized capital gains from pooled income are $40.5 million (31.3 percent) ahead of the forecast.

The GF "All Other" category of state revenue collections is almost final for FY 2025, and the amount currently exceeds the forecast by $18.4 million (8.5 percent). Most major categories within this revenue source are higher than expectations, led by quarterly insurance premium tax (45.6 percent), and insurance agent license fees (20.0 percent), while interest payments (-28.1 percent) fall short of the forecast.

**Budget Reserve Account –** The summary table also illustrates the two earmarked revenue streams for the BRA: severance taxes (line 8) and FMRs (line 9). Severance tax deposits to the BRA currently exceed the January 2025 CREG forecast pace by $11.1 million (7.1 percent). FMRs directed to the BRA, including an adjustment for the federal fiscal year 2025 budget sequester (withholding), are $14.7 million (6.8 percent) above the January 2025 CREG forecast.

**Bottom-line: General Fund/Budget Reserve Account –** In total, excluding realized capital gains, revenue collections for the GF and BRA, exceed the January 2025 CREG forecast pace by $42.6 million (2.3 percent). Realized capital gains from the PWMTF are currently $493.8 million; however, these would not remain in the GF since interest and dividends from the PWMTF already exceed the statutory spending policy.

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[1] During the 2025 General Session, the distribution of investment income from the PWMTF in excess of 2.5 percent of the five-year average market value of the corpus was modified through 2025 Wyoming Session Laws, Chapter 161 (2025 Senate File 169) by the Governor's exercise of the line item veto of that bill. The investment income in excess of 2.5 percent of the five-year average market value of the corpus was previously distributed in equal amounts to the SIPA and LSRA. Beginning in FY 2025, the amount in excess of 2.5 percent of the five-year average market value of the corpus but less than 5 percent of the five-year average market value of the corpus, will be distributed solely to the SIPA.

**Statutory One Percent Severance Tax –** Beginning in FY 2023, revenue derived from the statutory one percent severance tax is deposited to the PWMTF and the CSPLF in equal amounts. Like other accounts benefiting from severance taxes, revenues from the statutory one percent severance tax exceed the January 2025 CREG forecast pace by $3.8 million (3.5 percent).

**State Revenues Supporting K-12 Education –** This revenue update monitors four major revenue sources supporting K-12 education, including investment income from the CSPLF, FMRs, and lease and bonus income, and state mineral royalties from school lands. As of May, FY 2025 investment income derived from the CSPLF totals $376.5 million, including $170.3 million in interest and dividends, $5.4 million (3.0 percent) more than the forecast amount, and $206.2 million in realized net capital gains. Total CSPLF investment income through May, is $143.9 million more than the statutory spending policy amount or 5 percent of the five-year average market value of the corpus ($232.6 million). In accordance with W.S. 9-4-601 and 9-4-719, if investment earnings exceed 5 percent of the five-year average market value of the CSPLF, FMRs exceeding the first $200 million of collections directed to the SFP will be distributed to the Common School Permanent Fund Reserve Account (CSPLF RA). Through May, FMRs in excess of the first $200 million and distributed to the SFP total $91.2 million and will be transferred to the CSPLF RA in accordance with W.S. 9-4-601 and 9-4-719. Based on the current pacing of FMRs and investment income, it is anticipated there will be insufficient FMRs to be transferred to the CSPLF RA. Therefore, the SFP will retain a portion of the investment earnings that would otherwise be directed to the CSPLF RA. The investment earnings in excess of available FMRs total $52.7 million as of May 2025.

FMRs deposited to the SFP are pacing $7.4 million (3.6 percent) ahead of the forecast. Total FY 2025 lease and bonus revenues on school lands are $24.2 million, which is $4.2 million (20.8 percent) higher than the CREG forecast. These revenues are dedicated to K-12 education through deposits to the Common School Land Income Account and subsequently deposited to the SFP. State mineral royalties from school lands total $114.7 million for FY 2025, which $11.3 million (-8.9 percent) short of the January 2025 CREG forecast. One-third of this total amount, or $38.3 million, was deposited into the SFP, while the remaining amount was deposited in the CSPLF.

**Total Mineral Severance Taxes and FMRs –** Through June 2025, total severance tax collections are $28.1 million (4.2 percent) ahead of the January 2025 CREG forecast pace. Total FMRs received through June are $22.1 million (4.1 percent) ahead of pace.

As shown in Table 1, the average price of Wyoming oil in FY 2025 to date is $67.30/bbl, nearly matching the projection for FY 2025 but 10.6 percent lower than the same period in FY 2024. Total oil production for FY 2025 through April is 2.0 percent higher than the forecast pace and 2.9 percent higher than one year ago. According to a proprietary source, nine active oil rigs currently operate in Wyoming, compared to 12 rigs at the same time one year ago. Natural gas prices received by Wyoming producers average $3.92/mcf for the current fiscal YTD, $0.12/mcf lower than FY 2024 YTD prices but 13.6 percent ahead of forecast. Compared to the previous year, Wyoming natural gas production has been decreasing since late 2024. As a result, the FY 2025 YTD production is slightly lower than the previous year, but still 2.2 percent higher than the forecast pace. There are four active gas rigs running in June compared to one rig last year and the monthly average of 10 rigs in 2019. The statewide average surface coal price of $14.64/ton for FY 2025 to date is nearly identical to the January forecast but 1.5 percent lower than FY 2024. Coal production is tracking 7.9 percent higher than the forecast amount but 6.5 percent lower than FY 2024 YTD figure.

**Table 1. Fiscal Year-To-Date (YTD) Comparison of Major Mineral Price and Production.**

| | Crude Oil | | Natural Gas | | Surface Coal | |
|---|---|---|---|---|---|---|
| Fiscal YTD (July through April) | Price ($/bbl) | Production (millions of bbl) | Price ($/mcf) | Production (billions of cubic feet) | Price ($/ton) | Production (millions of ton) |
| Actual for FY 2024 | $75.31 | 86.3 | $4.04 | 1,119.8 | $14.86 | 180.4 |
| Forecast for FY 2025 | $67.50 | 87.1 | $3.45 | 1,083.3 | $14.63 | 156.3 |
| Actual for FY 2025 | $67.30 | 88.8 | $3.92 | 1,107.1 | $14.64 | 168.7 |

**Conclusion -** In summary, the sales and use tax distribution to the GF lags slightly behind the January 2025 CREG projection, while mineral revenues moderately exceed forecasts primarily due to higher than expected natural gas prices and coal production, particularly since the beginning of the year.

Current revenue collections directed to the GF and BRA for FY 2025 exceed the January 2025 CREG projection. The preliminary figures indicate a large amount of unforecast but anticipated realized capital gains from the PWMTF and CSPLF. The current revenue trends indicate the following:

- The actual revenues directed to and remaining in the GF and BRA are expected to exceed the January 2025 CREG's forecast moderately.
- Sales and use taxes, the largest revenue contributor to the GF, lag modestly behind the forecast by approximately -$8.2 million, resulting from the reduction of mining business purchases and slowdown of consumer consumption.
- In combination, approximately $700 million in net capital gains have been realized from the PWMTF and CSPLF, marking the highest amount ever. Through May 2025, PWMTF investment income equaling $238.7 million will be deposited into the SIPA, and $259 million will be deposited into the PWMTF RA. In addition, approximately $91.2 million will be transferred to the CSPLF RA in a swap of FMRs attributable to the SFP.
- With about two months left in the fiscal year for accrued revenue collections, despite the significant decrease in oil prices, severance tax and FMR collections are both exceeding the January 2025 CREG forecasts, due to higher than expected natural gas prices, coal production, as well as the increased efficiency or productivity in oil and gas exploration.
- As noted in the *April 2025 Revenue Update*, known low spot prices of crude oil for production completed but not yet reported may reduce the fiscal year averages and bring mineral revenue excess more in-line with the January 2025 CREG forecast.

Finally, it warrants noting that Congress adopted the "One Big Beautiful Bill Act" (P.L. 119-21), which, in part, reduces the federal royalty rate on coal from 12.5 percent to 7 percent – a 44 percent reduction. This reduced rate applies to both new and old leases and is estimated to reduce Wyoming's share of FMR revenue by approximately $50 million per year, depending upon production levels. This reduced revenue will be modestly offset by higher severance and ad valorem payments as companies will be able to deduct a lower amount of FMRs; however, this offset is small compared to the reduced FMRs. The federal royalty rate on new production of oil and natural gas is also reduced from 16 and two-thirds percent to 12.5 percent , though since this applies to new production of federally owned minerals, the impact to state revenues is much less.

As always, we will continue to monitor the revenue situation and keep you informed. Let us know if you have any questions.

LSO Budget/Fiscal Division
[As of July 29, 2025]

| | Fiscal Year 2025 Revenue Update Summary: Actual vs. January 2025 CREG Forecast | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | A | B | C | D | E | F | G |
| | Revenue Sources | CREG Forecast FY25 Total | Actual through June | Forecast through June (1) | Difference YTD $ | Actual YTD % of Total | Forecast YTD % of Total | YTD Pace |
| 1 | GF - Sales & Use Tax (2) | $651,400,000 | $571,299,472 | $579,500,000 | ($8,200,528) | 87.7% | 89.0% | -1.3% |
| 2 | GF - PWMTF with guarantee (3) | $238,700,000 | $218,800,000 | $218,800,000 | $0 | 91.7% | 91.7% | 0.0% |
| *2a* | *GF - PWMTF from dividends & interest (3)* | *$296,800,000* | *$242,632,303* | *$272,100,000* | *($29,467,697)* | *81.7%* | *91.7%* | *-9.9%* |
| *2b* | *GF - PWMTF with capital gains (3)* | *N/A* | *$736,432,826* | *N/A* | *N/A* | *N/A* | *N/A* | *N/A* |
| 3 | GF - Pooled income from dividends & interest (3) | $129,400,000 | $149,126,771 | $118,600,000 | $30,526,771 | 115.2% | 91.7% | 23.6% |
| *3a* | *GF - Pooled income with capital gains (losses) (3)* | *$129,400,000* | *$159,091,395* | *$118,600,000* | *$40,491,395* | *122.9%* | *91.7%* | *31.3%* |
| 4 | GF - Severance Tax | $174,200,000 | $158,436,259 | $152,900,000 | $5,536,259 | 91.0% | *87.8%* | 3.2% |
| 5 | GF - All Other | $218,100,000 | $236,544,268 | $218,100,000 | $18,444,268 | 108.5% | 100.0% | 8.5% |
| 6 | **General Fund - Total (w/out capital gains or guarantee) (3)** | **$1,469,900,000** | **$1,358,039,073** | **$1,341,200,000** | **$16,839,073** | **92.4%** | **91.2%** | **1.1%** |
| 7 | **General Fund - Total with PWMTF guarantee and Pooled capital gains (3)** | **$1,411,800,000** | **$1,344,171,394** | **$1,287,900,000** | **$56,271,394** | **95.2%** | **91.2%** | **4.0%** |
| | | | | | | | | |
| 8 | BRA (from Severance Taxes) | $155,500,000 | $123,866,537 | $112,800,000 | $11,066,537 | 79.7% | 72.5% | 7.1% |
| 9 | BRA (from FMRs) | $215,500,000 | $174,427,345 | $159,700,000 | $14,727,345 | 80.9% | 74.1% | 6.8% |
| 10 | **Budget Reserve Account - Total** | **$371,000,000** | **$298,293,882** | **$272,500,000** | **$25,793,882** | **80.4%** | **73.5%** | **7.0%** |
| | | | | | | | | |
| 11 | **One Percent Severance Tax (50% to PWMTF and 50% to CSPLF)** | **$107,800,000** | **$93,851,398** | **$90,100,000** | **$3,751,398** | **87.1%** | **83.6%** | **3.5%** |
| | | | | | | | | |
| 12 | SFP CSPLF with guarantee (3) | $232,600,000 | $213,200,000 | $213,200,000 | $0 | 91.7% | 91.7% | 0.0% |
| *12a* | *SFP CSPLF from dividends & interest (3)* | *$179,900,000* | *$170,286,796* | *$164,900,000* | *$5,386,796* | *94.7%* | *91.7%* | *3.0%* |
| *12b* | *SFP CSPLF with capital gains (losses) (3)* | *N/A* | *$376,501,324* | *N/A* | *N/A* | *N/A* | *N/A* | *N/A* |
| 13 | SFP FMRs | $205,800,000 | $185,263,673 | *$177,900,000* | $7,363,673 | 90.0% | 86.4% | 3.6% |
| 14 | SFP Lease and bonus | $20,000,000 | $24,157,487 | $20,000,000 | $4,157,487 | 120.8% | 100.0% | 20.8% |
| 15 | SFP State Royalties | $42,000,000 | $38,253,615 | $42,000,000 | ($3,746,385) | 91.1% | 100.0% | -8.9% |
| 16 | **School Foundation Program - Total (w/out cap. gains or guarantee) (3)** | **$447,700,000** | **$417,961,571** | **$404,800,000** | **$13,161,571** | **93.4%** | **90.4%** | **2.9%** |
| 17 | **School Foundation Program - Total with CSPLF guarantee (3)** | **$500,400,000** | **$460,874,775** | **$453,100,000** | **$7,774,775** | **92.1%** | **90.5%** | **1.6%** |
| | | | | | | | | |
| 18 | **State Royalties - Total** | **$126,000,000** | **$114,749,939** | **$126,000,000** | **($11,250,061)** | **91.1%** | **100.0%** | **-8.9%** |
| 19 | **Severance Taxes - Total** | **$667,000,000** | **$585,091,319** | **$557,000,000** | **$28,091,319** | **87.7%** | **83.5%** | **4.2%** |
| 20 | **Federal Mineral Royalties - Total** | **$535,300,000** | **$473,641,018** | **$451,500,000** | **$22,141,018** | **88.5%** | **84.3%** | **4.1%** |

(1) Year-to-date forecast is determined by using one of three methods: the pace of historical revenues is used for sales & use tax projections, a straight-line pace is applied to PWMTF and pooled income, while severance taxes and federal mineral royalties (FMRs) use a procedure relying on price and production weights, taking into account the impact of the repayment of sequestered (withheld) FMRs.

(2) The Impact Assistance balance at the end of June 2025 was $12,225,193; sales and use tax collections have been reduced by this amount. In addition, sales & use tax collections have been reduced by the special fuel survey.

(3) Capital gains income from PWMTF, Pooled, and CSPLF investments are not currently part of the CREG projection process. This table illustrates the pacing with and without the spending policy guarantee of 2.5 percent for the GF and 5.0 percent for the SFP as well as realized capital gains through May 2025. Investment income is also shown with and without the statutory spending policy guarantee. The realized capital gains (and losses) from non-permanent funds do immediately impact the recipient accounts, e.g., Pooled Income to the GF.