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State Ends Year with $6 Billion over Projections

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New York State's fiscal year 2025 ended on March 31 with good news for the State's coffers: Total receipts for the year came in $6.0 billion higher than forecast in January 2025, and a full $12.3 billion over forecasts from the beginning of the fiscal year in May 2024. As we enter the final stage of budget negotiations, this additional revenue will allow the State to prepare for federal funding cuts by investing in the MTA[a], childcare[b], NYCHA[c], and other critical services and infrastructure.

In May 2024, when the budget for the current fiscal year was enacted, the State forecast total receipts for the fiscal year of $136.0 billion. This outlook was upgraded to $142.3 billion of total receipts in January 2025, and, at the end of the fiscal year – March 31, 2025 – actual receipts had come in at $148.3 billion.

Growth in expected receipts over the course of the year was driven by higher-than-expected revenue from the personal income tax, which generated $4.1 billion more than originally forecast, business taxes, which generated $2.0 billion more than originally forecast, and miscellaneous receipts (e.g., gaming fees, licensing fees, etc.) which ended the year $5.6 billion over the original forecast.

While the State's estimated expenditures for fiscal year 2025 also exceeded projections, they did so far more modestly. At the beginning of the fiscal year, the State forecast annual operating expenses of $132.0 billion, and ended the year with actual operating expenses of $133.7 billion.

Table 1. Comparison of State revenue projections for fiscal year 2025

Dollars in billions

	Enacted Budget for FY 2025 (May 2024)	Executive Budget for FY 2026 (January 2025)	Budget Actuals for FY 2025	Change from original forecast
Personal Income Tax	$57.0	$61.0	$61.2	+$4.1
Business Taxes	$28.2	$28.8	$30.8	+$2.0
Consumption Taxes	$21.8	$21.9	$21.7	-$0.1
Miscellaneous Receipts	$23.0	$24.7	$28.6	+$5.6
Total State Operating Funds	**$136.0**	**$142.3**	**$148.3**	**+$12.3**

Links

a https://fiscalpolicy.org/policy-and-research/how-to-fund-the-mta
b https://fiscalpolicy.org/policy-and-research/ensuring-adequate-funding-for-childcare
c https://fiscalpolicy.org/policy-and-research/preventing-a-nycha-budget-crisis