REPORT TO THE GOVERNOR
AND THE LEGISLATURE ON
FUTURE STATE REVENUES

November 16, 2026

Senate Bill 23 of the 67th (1993) Legislative Session provided for the creation of an Economic Forum (Forum) to forecast State General Fund revenues. The Forum, a panel of five representatives from the private sector with backgrounds in economics, business, and taxation, is required to adopt an official forecast of unrestricted General Fund revenues for the biennial budget cycle. Senate Bill 23 also created the seven-member Technical Advisory Committee on Future State Revenues, made up of Executive and Legislative Branch staff members as well as a representative of local government, to provide assistance and resources to the Forum.

As a result of the passage of Senate Bill 419 and Assembly Bill 356 during the 83rd (2025) Legislative Session, beginning with the current cycle, the Forum must submit its forecast to the Governor and the Legislature by November 15 of each even-numbered year and submit any revisions by April 1 of each odd-numbered year. If either of these dates fall on a weekend or a holiday, the Forum must submit its forecast no later than the second business day following these dates. The Governor must use the November forecast in developing The Executive Budget submitted to the Legislature. The Legislature uses the April forecast in developing the legislatively approved General Fund budget during session.

This report includes the November 16, 2026, forecast of unrestricted General Fund revenues for Fiscal Years (FY) 2027, 2028, and 2029, as well as a summary of the Forum's methodology and procedures and a review of the U.S. and Nevada economies over the past several years.

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Methodology and Procedures

In May 2026, Governor Joe Lombardo appointed the five members of the Forum for two-year terms. These appointments include two members nominated by Legislative leadership, one nominated by each of the Senate and the Assembly.

Pursuant to subsection 1, paragraph (f) of the *Nevada Revised Statutes* (NRS) 353.228, in addition to the meetings necessary to approve the required forecasts, the Forum must hold two informational meetings during each biennium to consider current economic indicators and compare the status of actual General Fund revenues to their most recent revenue forecast. These meetings were held on December 5, 2025, and May 26, 2026. These interim meetings allowed the Forum to receive regular updates on current economic conditions and the outlook for the state's economy while also receiving updates on actual FY 2025 and FY 2026 revenues. During these meetings, the Forum reviewed various economic indicators and received a series of presentations from Legislative Counsel Bureau staff, the State Demographer, and the Department of Employment, Training and Rehabilitation.

The Forum has since held public meetings on September 9, 2026, October 14, 2026, and November 16, 2026, to complete its assigned duties regarding the approval of forecasts of unrestricted General Fund revenues for FYs 2027, 2028, and 2029.

The first of these meetings, held on September 9, 2026, was devoted to reviewing assigned tasks and determining a course of action for future meetings. The Forum recommended eight revenues to be considered major revenue sources and to be included in detailed discussion at the October and November meetings. Detailed information regarding these forecasts is included later in this report.

The Forum also reviewed historical taxable sales and gaming market statistics and received presentations relating to Nevada's employment and unemployment outlook, the real estate market and regional economic outlook in Northern and Southern Nevada, the tourist and convention/trade show market, the state's insurance markets, and the potential impacts on the state budget from the One Big Beautiful Bill Act and other federal actions.

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During the October 14, 2026, meeting, the Forum received a presentation on the national, regional, and Nevada economic outlook from Kumael Bilgrami, Associate Economist with Moody's Analytics (an economic consulting firm under contract with the state). The Forum also received a presentation comparing total General Fund revenues received in FY 2026 to the Forum's May 1, 2025, forecast.

Additionally, at the October 14 meeting, the Budget Division of the Governor's Finance Office and the Fiscal Analysis Division of the Legislative Counsel Bureau provided preliminary projections and economic analysis for the eight major General Fund revenues. The Department of Taxation, the Gaming Control Board, and the Office of the State Treasurer each provided projections and analysis for the major revenues which they collect. Moody's Analytics provided additional forecasts of gaming percentage fees and sales taxes. The Forum also received forecasts of all non-major General Fund revenues and tax credits developed by the Technical Advisory Committee based on projections by individual state agencies, the Budget Division, and the Fiscal Analysis Division.

Following review of the presentations, forecasts, and accompanying materials, the Forum requested that any updated forecasts and information be provided at the November 16, 2026, meeting and directed the Technical Advisory Committee to prepare updated forecasts for non-major revenues.

At the November 16, 2026, meeting, the Forum received revised forecasts and economic analysis from the Budget Division, Fiscal Analysis Division, Department of Taxation, Gaming Control Board, Office of the State Treasurer, Moody's Analytics, and the Technical Advisory Committee, which were used to produce the binding forecast of all unrestricted General Fund revenue for The Executive Budget. A copy of the Forum's official November 16, 2026, forecast is provided in the attached table. A final meeting of the Forum will be scheduled during the 84th (2027) Legislative Session, on or before April 1, 2027, to make any necessary revisions to the November 16, 2026, forecast.

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Economic Review

At the time of the last Forum report in December 2024, the United States had just re-elected Donald Trump as president, marking the first time in nearly 135 years that a president had been elected to non-consecutive terms in office. The nation and the State of Nevada, though several years past the COVID-19 pandemic, continued to experience after-effects from associated federal responses well into this period.

A brief, yet disruptive, recession, caused by business closures and restrictions in operations and travel, led to nearly 20 million Americans losing their jobs in the early months of the pandemic. Several rounds of federal stimulus under the first Trump administration and early in the administration of President Joe Biden helped to soften the impacts. In particular, two of these programs—the Coronavirus Aid, Relief, and Economic Security Act and the American Rescue Plan Act (ARPA)—authorized more than $4.5 trillion in federal expenditures between March 2020 and March 2021. These programs were designed to provide stimulus and assistance benefits to households and businesses during and in the aftermath of the pandemic. Approximately $2.7 billion allocated to Nevada as part of the approval of $350 billion of Coronavirus State and Local Fiscal Recovery Funds under ARPA allowed many state programs, which may otherwise have been funded by the State General Fund or other sources, to be funded through these federal dollars through the end of 2026.

Revenue collections would greatly benefit from the stimulus in Nevada as well. Total annual State General Fund collections would exceed $5 billion for the first time in FY 2022, only 4 years after reaching $4 billion for the first time in FY 2018. It had previously taken 12 years to grow from $3 billion in a fiscal year to $4 billion in a fiscal year, due in part to interruptions from the Great Recession. The 22.0% growth in the State General Fund in FY 2022 was followed by another remarkable year of collections. In FY 2023, growth of 6.3% meant that total collections for the fiscal year were closer to $6 billion than to $5 billion.

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As a result of the significant increases in revenue and federal allocations, during the 82nd (2023) Legislative Session, the Legislature and Governor were able to increase the maximum amount of money that may be held in the state's Rainy Day Fund and also to fully fund this account for the first time in the state's history.

The massive injection of money into the economy, along with significant pent-up demand in the months after quarantines and other restrictions were eased, helped to drive prices upward at a rate not seen in decades. For most of the previous decade inflation had stayed below 3.0%, falling below 2.0% in 2019 and 2020. However, by June 2022, the U.S. inflation rate had reached 9.1%, the highest rate since November 1981. While June was the only month where the rate would exceed 9.0%, the rate would stay above 5.0% for 23 consecutive months between May 2021 and March 2023. Other factors that played a significant role in keeping the inflation rate elevated include critical labor shortages, supply chain disruptions, and increases in energy costs following the Russian invasion of Ukraine in February 2022. Regardless of the reasons, inflation proved to be a significant challenge for the economy coming out of the pandemic.

To help combat the rising tide of inflation, between March 2022 and July 2023 the Federal Open Market Committee (FOMC) would make eleven increases totaling 525 basis points to the Federal Funds Rate, from a low of 0%–30.25% to a high of 5.25%–35.50%. These increases were made with the goal of providing a "soft landing" for the economy to avoid a recession while easing inflation. These actions proved to be successful. In 2023, inflation would drop to an annual rate of 4.1% from its 2022 rate of 8.0%. At the same time, the U.S. unemployment rate, which tends to have an inverse relationship with inflation, did not drastically increase. From March 2022, when the FOMC first increased the Federal Funds Rate, to the end of 2023, the unemployment rate only grew 0.1 percentage points from 3.7% to 3.8%. The unemployment rate would stay under 4.0% until June 2024.

In Nevada, the economic challenges coming out of the pandemic accompanied a more moderate outlook for the state's revenue by the Forum in the fall of 2022 and the spring of 2023. However, after ending FY 2023 at nearly $5.8 billion in revenue, total General Fund revenues would grow by 3.9% in FY 2024 to

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just over $6 billion, net of tax credits, only two years after reaching $5 billion for the first time. These collections were boosted by a number of significant high-profile events in Clark County, including the opening of Sphere in September 2023 (and a popular concert residency by U2 that followed), the first Formula 1 race on the Las Vegas Strip in November 2023, and the hosting of the Super Bowl at Allegiant Stadium in February 2024.

At the national level, inflation continued to ease into 2024, with the rate for that year only growing by 2.9%. At the same time, with the U.S. unemployment rate not climbing above 4.2% at any point that year, and the perception that the rate increases had met the goal of a "soft landing," the FOMC began reducing the Federal Funds Rate. Three reductions totaling 100 basis points occurred between September 2024 and the end of the year, bringing the target rate down to 4.25%–4.50%.

In November 2024, President Trump would defeat Vice President Kamala Harris in the U.S. presidential election, taking office again in January 2025. Vice President Harris had become the presumptive Democratic Party nominee after President Biden dropped out of the race in July 2024. Much of President Trump's re-election campaign focused on sweeping reforms to government, including tightening of immigration policy, increased border security, broad tax cuts, and a protectionist trade policy. The latter of these reforms—in the form of tariffs designed to offset income tax cuts and restore American manufacturing—would come shortly after his second inauguration. Tariffs were announced on imports from several nations (including Canada, Mexico, and China) within the first two weeks of his second term.

Tariffs on imported Canadian goods announced on January 31 included a baseline tariff of 25.0% on most Canadian imports and a 10.0% tariff on Canadian energy products. The Canadian government immediately instituted retaliatory tariffs on imported U.S. goods. Despite attempts between the two countries to negotiate an agreement during the month of February, the tariffs imposed by each country on the other would become effective in early March, beginning ongoing trade-related tensions between the two historically friendly nations.

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These trade conflicts (and the failure of the two nations to negotiate a settlement), combined with statements made by President Trump regarding Canadian sovereignty, new entry rules for non-citizens entering the U.S., and a Canadian dollar that is at its weakest level in comparison to the U.S. dollar in at least 20 years, appear to be contributing factors to declining traffic across the U.S.-Canada border. In 2025, according to the U.S. Bureau of Transportation Statistics, the number of personal vehicles crossing from Canada into the U.S. dropped by 18.8% compared to the prior year. During the same period, according to Statistics Canada, total border crossings by Canadian residents to the U.S. dropped by more than one quarter.

These effects have been greatly felt in Las Vegas. Canadian visitation dropped by 17.4%, or more than 250,000 visitors, in 2025 compared to 2024, according to the Las Vegas Convention and Visitors Authority (LVCVA). In 2025, Canadian visitors made up 25.3% of all international visitors, according to LVCVA; in 2024, this number was 29.2%. The slump in visitation to Las Vegas in 2025 was not just from Canadians. International visitation dropped by 4.8% overall that year. The Trump administration's policies on tariffs, immigration enforcement, and border security also possibly served as deterrents for non-Canadian international visitors.

In total, Las Vegas visitor volume dropped 7.5% in 2025, which marked the lowest level of visitors since the pandemic, despite marquee events such as WrestleMania 41 in April 2025 and the third annual Formula 1 race that November. Several factors, including perceived unaffordability of the Las Vegas Strip and economic concerns arising from the geopolitical situation relating to the tariffs, may have led people to choose different destinations for their vacations or to simply stay at home.

For the month of April 2025, the Economic Policy Uncertainty Index, which measures the usage of the words "uncertain" or "uncertainty" in news articles discussing the economy at the national level in the U.S., was at 560.88, the highest month recorded since the pandemic. The level of uncertainty may have already been reflected in the fairly conservative forecasts released by the Forum in December 2024; however, the Forum was even more conservative in the revised forecasts released in May 2025, reducing its

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forecasts for the State General Fund by approximately $190.8 million for the 2025–27 Biennium.

For FY 2025, which at the time was the current fiscal year, the Forum increased its forecast by just over $23.4 million, amounting to 0.4%. This relatively small increase suggests that the conservative nature of the forecasts in December 2024 was the appropriate choice given year-to-date revenue collections in May 2025. Ultimately, total collections for that fiscal year grew by only $2.3 million compared to FY 2024. While actual collections were approximately $22.3 million below the May 2025 forecast, this was primarily due to system issues at the Department of Taxation causing approximately $77.6 million of Commerce Tax collections being deferred until the following fiscal year.

Despite the uncertainty in the spring of 2025, the U.S. economy stayed strong throughout the remainder of the year. Real Gross Domestic Product grew by a total of 2.1% in 2025. Inflation also stayed comparatively low throughout the year, climbing briefly back to 3.0% in September before finishing the year at 2.6%. Despite lower inflation rates, unemployment reached an annual high of only 4.5% in November.

Lower inflation rates throughout 2025 were supported, in part, through maintenance of stable interest rates. The FOMC would hold rates steady for much of the year, with only two reductions (of 25 basis points each) occurring in the last quarter of 2025.

Even with the relative stability in inflation and unemployment, economic uncertainty would grow through the last part of 2025 and into 2026, fueled in part by a government shutdown from October 1 to November 12, continued shifts in tariff policy, and decreased consumer sentiment across the country. This sentiment has not been perceived universally. By the end of 2025, discussions of a “K-shaped” economy, marked by more affluent persons faring better economically than those with lower incomes, began to take shape.

The economic uncertainty expanded as the U.S. and Israel entered into armed conflict with Iran in February 2026. The conflict and the resulting blockades of the Strait of Hormuz by Iran have caused significant shocks to several markets, especially those related to agriculture and energy. The Persian Gulf region is a significant source of the

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world's fertilizer supply, and nearly one-quarter of the world's oil supply and 20% of the world's liquefied natural gas supply passed through the Strait of Hormuz prior to the conflict. Within a week of the beginning of the conflict, crude oil prices topped $100 per barrel, the first time that oil prices had reached that level in four years. Prices of other commodities that are produced in the region, such as aluminum and sulfur, also increased.

The ongoing conflict in the Middle East and associated supply disruptions have restored inflation-related concerns. The U.S. inflation rate rose above 4.0% in May 2026 for the first time since May 2023, significantly driven by increases in the costs of gasoline and diesel fuel. The inflation rate has stayed above 3.0% in each full month since the conflict began. In response, the FOMC reversed its recent trend, increasing the Federal Funds Rate by 25 basis points in September, the first increase in more than three years.

Despite ongoing economic uncertainty and current headwinds, State General Fund revenues finished FY 2026 significantly above the Forum's conservative forecasts from May 2023, with total revenues nearing $6.5 billion, net of tax credits. Gaming percentage fee revenue finished above $1 billion for the first time in history, low visitor volumes notwithstanding. State sales and use tax collections grew by 8.5%, exceeding the forecast by $112.9 million for the fiscal year.

Looking forward, the upcoming biennium will feature a number of special events in Las Vegas, including the College Football Playoff National Championship in January 2027, the National Collegiate Athletic Association (NCAA) men's basketball Final Four in April 2028, and the Super Bowl in February 2029, as well as the reopening of the Mirage as the Hard Rock Las Vegas on the Strip in the middle of FY 2027. With the recent election results, however, it remains to be seen how the election of Attorney General Aaron Ford as Nevada's governor, along with Democratic majorities in both houses of Congress at the federal level, will affect economic conditions in this state, as well as nationally and internationally, for the remainder of President Trump's second term and beyond.

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TABLE 1. U.S. AND NEVADA - SELECTED ECONOMIC INDICATORS
CALENDAR YEARS 2021-2025

	2021	2022	2023	2024	2025
U.S.					
Gross Domestic Product (% change)	11.1	9.7	6.8	5.6	5.0
Real Gross Domestic Product (% change)	6.3	2.4	2.9	3.0	2.3
Total Nonfarm Employment (% change)	2.9	4.3	2.2	1.2	0.5
Personal Income (% change)	9.6	3.1	6.7	5.9	5.2
Wages and Salaries (% change)	9.0	7.9	5.5	5.8	4.6
Consumer Price Index (% change)	4.7	8.0	4.1	2.9	2.6
Fuels & Utilities	6.7	14.3	2.5	3.1	5.6
Food	3.9	9.9	5.8	2.3	2.8
Housing Starts (% change)	16.0	-3.0	-8.5	-3.7	-0.8
Oil ($ per barrel)	$68	$95	$78	$77	$65
Nevada					
Gross Domestic Product (% change)	14.9	15.1	8.9	6.1	5.1
Real Gross Domestic Product (% change)	10.1	6.6	3.2	3.0	2.0
Total Nonfarm Employment (% change)	7.2	8.4	3.4	1.8	1.2
Personal Income (% change)	12.8	3.7	8.1	6.4	5.6
Wages and Salaries (% change)	14.2	12.9	6.5	7.0	5.0
Housing Starts (% change)	19.0	-14.0	-9.7	8.5	-6.1
Las Vegas Visitors (% change)	69.4	20.5	5.2	2.1	-7.5

Sources: U.S. Bureau of Economic Analysis; U.S. Bureau of Labor Statistics; U.S. Census Bureau; Nevada Department of Employment, Training and Rehabilitation; Las Vegas Convention and Visitors Authority; Moody's Analytics

Housing

The U.S. Housing Market

Following the Great Recession, the U.S. housing market entered a period of relative stability that lasted for nearly a decade. By 2019, the number of existing single-family homes sold nationwide was 4.8 million. The number of homes sold in each of the prior four years was within 200,000 of that total. Though the median existing single-family home price increased by 65.0% from 2011 to 2019, the typical family in the U.S. had little difficulty affording a single-family home. In 2019, the National Association of Realtors' (NAR) Housing Affordability Index, which measures whether a family earning the median income can qualify for a conventional mortgage on a median-priced home with a 20% down payment, was 161.7, indicating that the median family earned approximately 61.7% more than the income needed to purchase a median-priced home.

The COVID-19 pandemic, however, led to a sharp increase in demand for housing, as well as a shift in where many buyers chose to live. These changes were due to a combination of factors including favorable work-from-home policies and mortgage rates that fell below 3.0% by mid-2020. Existing single-family home sales drastically increased, crossing the 5-million-unit threshold in 2020 for the first time since 2006, and growing further to 5.4 million units in 2021. The increased demand helped spur price growth, propelling the median home price in the U.S. to exceed $300,000 for the first time in history by the third quarter of 2020.

This growth proved short-lived. With inflation reaching 7.0% by the end of 2021 and continuing to expand through much of the following year, the FOMC began the first of eleven rate increases in early 2022, eventually taking the Federal Funds Rate from near zero to a range of 5.25%–35.50% by July 2023. The rapid increase in the Federal Funds Rate, combined with elevated inflation, pushed long-term borrowing costs higher. The 10-year Treasury yield rose from 1.5% in 2021 to 4.0% in 2023. Mortgage rates were quick to respond to these increases, with the average 30-year fixed rate rising from just under 3.0% in 2021 to 5.3% in 2022 and 6.8% in 2023. Existing single-family home sales fell by 17.2% in 2022 and by another 18.3% in 2023, to 3.7 million units, the fewest sold since 1995.

Despite rising mortgage rates and softening demand, limited inventory kept prices elevated. Prior to the pandemic, there were enough existing single-family homes on the market to last nearly four months at the then-current pace of sales, but by 2021 that supply had fallen to just over two months. Following this contraction in inventory, the median existing single-family home price rose 10.2% in 2022. The combination of high interest rates and record-high prices caused NAR's Housing Affordability Index to fall below 100 in the third quarter of 2023 for the first time since 1989, indicating that the median family income was no longer sufficient to qualify for a conventional mortgage on a median-priced single-family home.

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By mid-2024, inflation had slowed substantially from its 2022 peak, and the unemployment rate had begun rising amidst a cooling job market. The FOMC reversed course and began lowering the Federal Funds Rate, which fell to a target range of 3.50%–33.75% by the end of 2025. At the same time, long-term Treasury yields continued to rise, with the 10-year yield averaging 4.2% in 2024 and 4.3% in 2025. As a result, mortgage rates saw limited relief, falling only slightly from an average of 6.8% in 2023 to 6.7% in 2024, and to 6.6% in 2025. Existing single-family home sales remained near their lowest level in three decades, rising only modestly in 2024 and 2025, to just under 3.7 million units each year.

While the volume of sales remained subdued, inventory gradually recovered nationally, from a low of 2.2 months' worth of existing single-family homes on the market in 2021 to just over 4 months in 2025, the highest level since 2016. With more homes available, price growth slowed considerably. Following the double-digit gains in median existing single-family home prices seen in 2021 and 2022, and almost flat growth in 2023, home prices gained 4.4% in 2024 and 1.9% in 2025. Slower price growth coupled with continued income growth caused the Housing Affordability Index to move back above 100 on a sustained basis beginning in the second quarter of 2025.

Conditions improved further in the first half of 2026. Existing single-family home sales totaled just over 1.8 million units in the first half of the year, an increase of 2.3% from the first half of 2025, while median home prices increased just 1.1% over the same period to around $420,000. The Housing Affordability Index rose to 109.5 in the second quarter, its highest level since the beginning of 2022.

Headwinds have re-emerged, however. After several quarters of decline, average mortgage rates have started to rise again, reaching 6.7% in the third quarter of 2026. Moody's Analytics projects rates to increase to just over 7.0% in the fourth quarter, temporarily pushing the Housing Affordability Index down to near 100, before projected rates moderate to an average of 6.6% in 2027. Moody's expects existing single-family home sales and median prices to grow by less than a percent in 2026, before increasing by 3.0% and 1.5%, respectively, in 2027. Under this outlook, Moody's expectation is for

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the Housing Affordability Index to rise modestly in the coming years, though to a level well below that seen before and immediately after the COVID-19 pandemic.

TABLE 2. SELECTED U.S. HOUSING MARKET STATISTICS
CALENDAR YEARS 2021-2025

	2021	2022	2023	2024	2025
Median Existing Single-Family Home Price (% change)	18.4	10.2	0.7	4.4	1.9
Sales of Existing Single-Family Homes (% change)	6.8	-17.2	-18.3	0.3	0.5
New Housing Completions (% change)	4.4	3.5	4.5	11.9	-8.1
Sales of New Single-Family Homes (% change)	-6.1	-16.9	3.9	3.0	-1.3
Housing Affordability Index	150.2	110.5	97.6	98.8	103.1
Average 30-Year Fixed Mortgage Rate (%)	3.0	5.3	6.8	6.7	6.6
Total Mortgage Originations (% change)	9.3	-47.8	-37.4	16.2	15.3
Total Foreclosures Started (% change)	-48.1	371.4	-9.1	-1.7	30.5
Supply of Existing Single-Family Homes (Months)	2.2	2.6	3.1	3.5	4.0

Sources: Moody's Analytics, based on information from the National Association of Realtors, U.S. Census Bureau, Federal Home Loan Mortgage Corporation (Freddie Mac), Mortgage Bankers Association

The Nevada Housing Market

In Nevada, housing supply has been a concern for much of the last decade, with the available inventory of homes in Southern Nevada falling from nearly four months in 2016 to close to one month by early 2018. As a result, sales of existing single-family homes, which neared 58,000 units in 2017, decreased to 51,300 units by 2019 before falling to 46,600 units in 2020, the lowest level since 2007. Shortages in the housing supply pushed median home prices up from $267,300 in 2017 to $338,000 in 2020. While the nation as a whole did not see the median home price exceed $300,000 until after mortgage rates fell below 3.0% in the third quarter of 2020, Nevada's median existing single-family home price passed that threshold nearly two years earlier (for the first time since the 2000s housing bubble), in the fourth quarter of 2018.

In 2021, though, mortgage rates near 3.0% and an influx of buyers from California and other higher-cost markets drove a 20.6% increase in existing single-family home sales. The total number of units exceeded 56,000 for the year, the most since 2017. Prices followed suit. The median existing single-family home price increased 20.3% over the year, surpassing $406,000.

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By early 2022, as mortgage rates began to rise and median home prices continued to grow, Nevada's Housing Affordability Index, as estimated by Moody's Analytics, dropped below 100 for the first time since the fourth quarter of 2007. The typical Nevada family could no longer afford a conventional mortgage on a median-priced home. After rising 14.8% in 2022 to an average of $467,000, the median price dipped 2.5% in 2023 to $455,300. However, with mortgage rates more than doubling from an average of 3.0% in 2021 to 6.8% in 2023, Nevada's Housing Affordability Index continued to fall, reaching an average of 76.8 in 2023, its lowest level since 1982. As a result, existing single-family home sales fell by 28.6% in 2022 and by another 25.6% in 2023, to just 29,900 units.

Nevada's housing market has seen some stabilization in the past two years but little meaningful improvement. Existing single-family home sales increased by 4.4% in 2024 but then fell back down 6.2% in 2025 to a low of 29,300, roughly half of the 2021 total. Unlike national sales, which increased in the first half of 2026, Nevada sales were down 2.8% from the first half of 2025. The median existing single-family home price reached a record high of $495,400 in the first quarter of 2025 but eased slightly to $486,500 in the second quarter of 2026. Nevada's Housing Affordability Index has recovered somewhat from 2023's lows, but at 85.5 in the second quarter of 2026, it remains well below 100. The median Nevada family still earns roughly 14.5% less income than necessary to qualify for a conventional mortgage on a median-priced home.

Looking ahead, housing affordability and supply remain pressing concerns for Nevada. Policymakers at the state and federal level have taken steps to address these issues. During the 83rd (2025) Legislative Session the Nevada Legislature passed Assembly Bill 540, which appropriated $133.0 million to the newly created Nevada Attainable Housing Account to be used for competitive loans and grants for the development of attainable housing and the acquisition of land, home-buying assistance for essential workers, and incentives for local governments. The bill further requires the issuance of up to $50.0 million in general obligation bonds for infrastructure projects that serve attainable housing and also requires state and local governments to expedite the review of attainable housing projects for households earning up to 150% of the county median income. Federal legislation to make additional public lands available for development has advanced slowly, despite

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efforts from Nevada's congressional delegation and Governor Lombardo; one bill passed the U.S. House in September 2026, while bills for Clark and Washoe Counties remain in committee. Because these efforts will take time to produce new housing, their effects on supply and affordability in Nevada are likely to be realized gradually over the coming years.

Inflation Trends and Policy Responses in the U.S.

This year, the U.S. economy has experienced a tale of two inflation rates: the overall headline inflation has accelerated sharply, while core inflation, which excludes food and energy prices, has remained comparatively low. This divergence reflects the surge in oil prices triggered by the conflict with Iran. This surge has driven up energy costs and been a primary contributor to higher headline inflation. Meanwhile, core inflation has been less directly affected.

This resurgence in headline inflation comes on the heels of a period of gradual disinflation following the post-pandemic inflation surge. Following the COVID-19 pandemic, the United States experienced its most significant increase in inflation in decades, driven by supply chain disruptions, robust consumer demand, and geopolitical tensions. Policymakers initially anticipated that inflation would ease, viewing price pressures as largely transitory. However, persistent inflation prompted the FOMC to implement aggressive interest rate hikes, gradually reducing annual headline inflation from its 2022 peak of 8.0% to 4.1% in 2023 and 2.9% in 2024. Two years ago, the prospect of a "soft landing" dominated economic discourse, as policymakers and market participants considered whether the FOMC could restore price stability through higher interest rates without triggering a recession.

In 2025, headline inflation edged up slightly to 2.6%, amid heightened trade tensions and tariffs introduced under the second Trump administration. Although the U.S. Supreme Court ruled against certain tariffs in early 2026, the decision did not eliminate the administration's ability to impose tariffs under other trade laws. Shifts in global trade policy have moderated but remain a persistent source of uncertainty for the broader economy.

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In 2026, renewed geopolitical tensions in the Middle East introduced another source of uncertainty, raising concerns about disruptions to global energy markets and the broader inflation outlook. Before the U.S. conflict with Iran began, headline Consumer Price Index (CPI) inflation stood at 2.4%, slightly below core CPI inflation at 2.5%. However, the disruption to global energy markets drove up oil and gasoline prices, reversing some of the progress made in bringing down inflation.

In September, headline CPI inflation rose to 3.7% year over year, while core CPI inflation increased to 2.6%. This recent acceleration in inflation is driven in part by surging oil prices, which have pushed up the costs of gasoline, diesel, and jet fuel. These increases have placed additional pressure on household budgets, weighed on travel demand, and raised transportation costs for both consumers and businesses.

Monetary policy has evolved in response to these persistent inflationary pressures while balancing its dual mandate of price stability and maximum employment, as demonstrated by the FOMC's policy decisions. Beginning in early 2022, the FOMC implemented an aggressive tightening cycle to address elevated post-pandemic inflation, raising the Federal Funds Rate from near zero to 5.25%–5.50% by mid-2023. The FOMC maintained rates at this level from mid-2023 through the summer of 2024, reflecting a cautious approach to assessing inflationary trends and the effects of previous rate increases. In late 2024, the FOMC initiated an easing cycle that continued through the end of 2025, gradually reducing the target range to 3.50%–3.75% as inflation moderated and concerns about labor market conditions increased. Following the easing cycle, the FOMC held the Federal Funds Rate steady throughout the first eight months of 2026, maintaining a cautious stance amid persistent inflationary pressures and uncertainty surrounding economic growth.

The recent uptick in overall inflation has complicated the Federal Reserve's efforts to bring inflation back to its 2% target. In response to higher-than-expected inflation, the FOMC raised interest rates in September of this year, unanimously approving a 0.25 percentage point increase, bringing the target range for the Federal Funds Rate to 3.75%–4.00%. At its late-October meeting, the FOMC maintained the existing target range

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for the Federal Funds Rate. However, further rate increases remain a possibility if inflationary pressures persist. The Federal Reserve's tightening of monetary policy occurs against a backdrop of already elevated interest rates across the yield curve. While FOMC decisions directly influence short-term interest rates, long-term yields are primarily determined by market forces and reflect expectations regarding a broader set of economic factors, such as future inflation, economic growth, and the anticipated path of monetary policy.

In summary, the U.S. economy has experienced a volatile inflation trajectory since the COVID-19 pandemic. Inflation surged in the aftermath of the pandemic before gradually cooling amid a series of interest rate hikes by the FOMC aimed at curbing price pressures. Last year, inflationary pressures resurfaced amid trade frictions. This year, escalating geopolitical conflicts contributed to rising energy prices, accelerating headline inflation. These renewed inflationary pressures have complicated the Federal Reserve's efforts to restore price stability while supporting maximum employment.

Employment

The U.S. Labor Market

The U.S. labor market has demonstrated resilience amid ongoing global and economic uncertainty. The rapid advancement of artificial intelligence (AI), combined with broader demographic and policy shifts—including the retirement of baby boomers, declining labor force participation, and more restrictive immigration policies—have accelerated the realignment of the U.S. workforce, raising important questions about labor supply, employment opportunities, skills development, and the future structure of the labor market.

Despite these challenges, the U.S. labor market has remained relatively stable, although employment growth has moderated. In September, employers added 29,000 jobs, below the average monthly gain of 45,000 over the preceding 12 months. Total seasonally adjusted non-farm employment stood at approximately 159.0 million, representing year-over-year growth of 0.3%. Meanwhile, the national unemployment rate was 4.2%, remaining within the low 4.0% range throughout the year. Taken together, these indicators suggest that the labor market has maintained a degree of resilience despite slower employment growth and evolving economic conditions.

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The September Job Openings and Labor Turnover Survey reports just over one job opening per unemployed person, down substantially from the peak of roughly two openings per unemployed person in 2022. This decline reflects a cooling labor market, characterized by more moderate hiring activity and slower economic growth. Although job openings remain available, the lower ratio suggests a more balanced labor market than during the exceptionally tight conditions of the post-pandemic recovery.

The modest seasonally adjusted job creation over the past year reflects a combination of employment gains and losses across private-sector industries, indicating that labor market trends have varied considerably by sector. Private education and health services recorded the largest employment gains, adding a net total of 516,000 jobs over the past year. Within this sector, health care accounted for 371,800 net new jobs. Professional and business services also recorded notable increases, with employment rising by 123,000, followed by construction, which added 109,000 jobs. In contrast, retail and wholesale trade, manufacturing, and leisure and hospitality experienced comparatively modest gains, indicating a more subdued pace of employment growth across these sectors.

The largest employment declines have been concentrated in the federal government, information, and financial activities sectors. Federal government employment has contracted by a net 232,000 jobs over the past year, reflecting the Trump administration's workforce restructuring initiatives. According to the U.S. Office of Personnel Management (OPM), these measures include a hiring freeze, early retirement incentives, reductions in force, and the Deferred Resignation Program. Meanwhile, reports from technology-industry layoff trackers, including Yahoo Tech, suggest that workforce reductions in the technology industry have contributed to the broader contraction in information-sector employment. Following a pandemic-era peak of approximately 3.1 million jobs in November 2022, employment in the information sector has declined by approximately 376,000 positions, including 120,000 over the past year. This trend may be partly attributable to the rapid expansion of technology usage during the COVID-19 pandemic, when demand for digital services, such as streaming platforms and applications supporting remote work and home-based entertainment, increased

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significantly. As demand patterns have shifted, this sector may be undergoing a broader realignment. Financial activities employment has also contracted, declining by 107,000 positions over the same period, potentially reflecting the effects of elevated interest rates on lending, borrowing, and related financial activities. In addition to these sector-specific pressures, the growing adoption of automation and AI may be contributing to workforce adjustments in both the technology and financial industries.

Year-over-year growth in seasonally adjusted average hourly earnings has decelerated steadily throughout 2026, declining from 4.0% in 2025 to 3.7% at the beginning of the year and gradually easing to 3.0% by September, indicating a sustained moderation in wage growth. Meanwhile, inflation remains elevated at 3.7%, eroding workers' purchasing power as price increases outpace nominal wage gains. Consequently, real wage growth has turned negative.

The Nevada Labor Market

Nevada's labor market largely reflects national trends, but the state continues to face distinct economic challenges. In the years following the COVID-19 pandemic, Nevada consistently recorded one of the highest unemployment rates in the nation. However, according to the latest September data from the U.S. Bureau of Labor Statistics (BLS), Nevada's seasonally adjusted unemployment rate stands at 4.7%, just 0.5 percentage points above the national average. Although the gap between Nevada's unemployment rate and the national average has narrowed, the state's unemployment rate remains higher than that of most states, tying with Kentucky and New Mexico for the eighth-highest rate among the 50 states and the District of Columbia. Nevada's labor market also faces additional challenges, as reflected in the decline in the state's labor force participation rate to 62.3% in September.

Since the COVID-19 pandemic, Nevada's labor force participation rate has remained below pre-pandemic levels, despite gradual improvement each year. Several structural factors continue to constrain workforce participation across the state, including demographic shifts, particularly an aging population; structural changes across certain industries, reflected in slower post-pandemic hiring in the tourism-dependent leisure and

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hospitality sector and retail trade; and skills mismatches between job seekers' qualifications and the needs of expanding industries, potentially limiting workers' ability to access emerging opportunities.

At the same time, Nevada's efforts to diversify its economy are beginning to show progress, with gradual growth in sectors such as manufacturing and professional services creating opportunities beyond traditional tourism-dependent industries. While this transition is still underway, continued diversification offers a path toward a more resilient and balanced economy. Ensuring workers in Nevada can access emerging opportunities requires aligning workforce training programs with industry needs.

The BLS no longer publishes monthly state-level estimates of job openings but continues to publish annual estimates. Using these estimates, over the past two years, the number of job openings per unemployed person has remained below one, contrasting with the post-COVID recovery period, when the ratio was slightly above one. This shift reflects a similar cooling trend in the U.S. labor market, as labor demand has moderated and job openings have declined amid slower economic growth.

In September, Nevada's seasonally adjusted nonfarm employment reached approximately 1.6 million jobs, reflecting year-over-year growth of 1.6%. This represented the third-fastest employment growth rate among U.S. states and a net increase of approximately 25,300 jobs over the preceding 12 months. Although this pace remains below pre-pandemic growth rates, it exceeds the national average. The moderation reflects a continued slowdown in employment growth following robust expansion in the years immediately following the pandemic. Thus far in 2026, Nevada has added an average of 2,200 seasonally adjusted jobs per month, indicating continued, albeit more moderate, labor market growth.

Consistent with the national pattern of declining employment, the financial activities sector shed 1,600 positions over the past year. In contrast, the professional and business services sector exhibited robust growth, consistent with national trends, recording a net gain of 10,600 jobs over the same period. Health care and private education also expanded, with gains largely concentrated in the health care and social assistance

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subsector, which added 8,100 positions year over year. Construction experienced further growth, increasing payrolls by 4,000 jobs within the past year. Manufacturing and retail trade employment saw little overall change over the last twelve months. Notably, the information sector diverged from the national trajectory, maintaining employment levels despite losses recorded across the country.

Leisure and hospitality likewise saw minimal movement in staffing over the past year. Although employment in Nevada's leisure and hospitality sector has surpassed its pre-pandemic level by 5,700 jobs, this aggregate recovery masks persistent weakness in the accommodation and food services subsector, where employment remains approximately 5,500 positions below its February 2020 level. The sector's overall employment growth appears to have been driven primarily by gains in arts, entertainment, and recreation, which has added a net 11,200 jobs relative to its February 2020 employment level. This divergence indicates an uneven recovery across industries within Nevada's leisure and hospitality sector.

Last year, Nevada outperformed the nation in wage growth, with average hourly earnings increasing by 5.8%, compared with 4.0% nationally. However, consistent with broader national trends, wage growth in Nevada has since moderated, with the state's September growth rate on par with the national rate of 3.0%. This comparison should be interpreted with caution, as Nevada's figure is not seasonally adjusted, whereas the national figure is seasonally adjusted. Despite Nevada's stronger wage growth over the past year, the recent moderation in wage growth, coupled with persistent inflation, continues to erode workers' purchasing power, reflecting broader national trends.

In summary, the U.S. and Nevada labor markets remain resilient amid economic uncertainty, but employment growth has slowed, labor demand has moderated, and wage gains continue to struggle to keep pace with inflation. Nevada faces further challenges, including elevated unemployment, declining labor force participation, and recently, slower tourism growth. Despite these challenges, ongoing economic diversification is creating new opportunities, although workforce skills mismatches remain a barrier. The national and Nevada economies continue to experience labor market changes driven by

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demographic shifts, evolving workforce demands, and the growing influence of artificial intelligence and automation.

Consumer Spending

Consumer spending has played a pivotal role in supporting economic growth since the U.S. emerged from the COVID-19 pandemic. Accounting for over two-thirds of Gross Domestic Product (GDP), strength in consumer spending has at times offset weaknesses in other areas of the economy. Federal fiscal stimulus and limited spending opportunities during the pandemic allowed households to accumulate an estimated $2.127 trillion in excess savings by August 2021, according to the Federal Reserve Bank of San Francisco. These savings, over and above what households would have set aside given pre-pandemic trends, helped sustain spending throughout 2022 and into 2023, despite declines in real average hourly earnings as inflation surged.

According to the Bureau of Economic Analysis (BEA) reports on personal consumption expenditures, real consumer spending jumped 8.8% in 2021 as the economy reopened and households emerged from pandemic lockdowns with pent-up demand and ample savings. However, this surge in demand soon collided with supply chain disruptions, labor shortages, and rising energy costs, together fueling inflation to its highest levels in four decades by mid-2022. In response, the FOMC began aggressively raising interest rates, and real consumer spending growth slowed to 2.9% in 2022 and 2.3% in 2023, before picking up to 2.9% in 2024 and 2.6% in 2025.

The composition of spending also shifted sharply during and after the pandemic. Real spending on goods spiked 11.3% in 2021 before the economy fully reopened but declined 0.7% in 2022. Services spending continued to recover in 2022, growing 4.8%. Since then, growth in the two categories has largely converged, with real spending on goods increasing 2.9% in 2025 and services spending increasing 2.5%.

As inflation pressures eased after 2022, households gradually regained lost purchasing power. Average hourly earnings consistently grew faster than consumer prices from mid-2023 through early 2026, a trend which has since reversed. Renewed conflict in the

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Middle East has pushed energy prices higher, accelerating inflation from 2.4% in February 2026 to 3.7% in September, while wage growth slowed from 3.7% to 3.0%. As a result, inflation-adjusted wages have declined since April 2026.

Despite recently falling real wages, consumers have continued to spend. Real consumer spending grew at an annualized rate of 3.8% in both the second and third quarters of 2026. Spending growth appears to be increasingly supported by higher-income households that have benefited from gains in stock and home values in recent years, while overall the saving rate is falling and credit card delinquencies are rising. The personal saving rate, which averaged around 6.2% in 2023 and 2024, fell to 3.8% in September 2026, its lowest level since 2022. Credit card balances have risen 64.0% since early 2021, reaching a record $1.277 trillion at the end of 2025 before easing slightly to $1.263 trillion in the second quarter of 2026, according to the Federal Reserve Bank of New York. The share of credit card balances seriously delinquent (90 or more days past due) rose to 13.1% in the first quarter of 2026, its highest level since 2011. With the FOMC raising the Federal Funds Rate in September 2026 and mortgage rates rising, borrowing costs are likely to remain a source of pressure on household budgets.

Nationally, real GDP grew 2.3% in 2025 and at annualized rates of 2.5%, 2.2%, and 3.4% in the first three quarters of 2026. Moody's Analytics expects real GDP to increase 2.3% overall in 2026 and 1.9% in 2027, and real consumer spending to grow at about the same rates. With pandemic-era excess savings long depleted, real wages declining, the saving rate falling, and delinquencies elevated, the strength of consumer spending in the coming years will depend largely on whether income growth can once again outpace inflation.

In Nevada, overall spending is supported not just by residents but also by the more than 30.0 million visitors who travel to Southern Nevada each year. As a result, Nevada's economy is more sensitive than the nation's to changes in discretionary spending on travel, recreation, and entertainment, both through direct spending from visitors as well as the local jobs, wages, and economic activity that tourism supports.

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These trends can be seen in the state's taxable sales, reported by the Department of Taxation as the basis for the sales and use tax. Nevada taxable sales growth was in the double digits in both FY 2021 and FY 2022 as the state and the nation reopened and tourism returned following the COVID-19 pandemic, before moderating somewhat in FY 2023 and FY 2024. In FY 2025, however, in the face of declining visitation, taxable sales grew by just 1.9%, representing a real decline after accounting for inflation. Nominal taxable sales rebounded 9.4% in FY 2026, although much of the recent growth has come from categories more closely tied to business activity, such as professional and technical services, information, manufacturing, and construction.

Spending by Nevada residents, as reflected in the BEA's personal consumption expenditures data for Nevada, has grown more slowly than in the nation in recent years. Real resident spending in Nevada grew just 0.7% in 2023 and 1.1% in 2024, well below the national average in both years. This difference is largely because of regional price parities, i.e., prices grew faster in Nevada than in the nation as a whole. In 2025, the most recent year for which state-level data is available, Nevada resident spending grew 4.9% before adjusting for inflation or regional price parities, below the 5.3% nominal growth seen nationally. Growth in resident spending has been concentrated in services spending, which rose 5.5% in 2025 compared to just 3.8% for goods. This increase has been led by financial services, healthcare, and housing. Importantly for the state budget, only sales of tangible personal property (i.e., goods purchased by individuals and businesses) are subject to the sales tax. A continued shift in resident spending toward services would mean a growing share of consumer spending falls outside of the sales tax base.

As discussed previously, visitor spending has historically been a source of strength for Nevada, despite it being highly sensitive to national and global economic conditions. According to LVCVA, Las Vegas saw 38.5 million visitors in calendar year 2025, a 7.5% decline from 2024 and the lowest total since 2021. International visitation fell 4.8%, led by a 17.4% decline in visitors from Canada, Las Vegas' largest international market. Total visitor spending fell 7.8% to $50.8 billion, the first annual decline since 2020, although spending per visitor remained near historical highs at $1,318.

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Visitation has stabilized to some extent in calendar year 2026 but has not yet recovered. Through September, total visitor volume is nearly flat, down just 0.1% from the same period in 2025. Convention attendance, by contrast, is up 9.6%. There are some bright spots on the horizon: large sporting events such as the College Football Playoff National Championship in January 2027, NCAA Final Four basketball games in April 2028, and the Super Bowl in February 2029 are expected to provide a significant boost to visitation in Southern Nevada. The opening of new attractions such as the Hard Rock Las Vegas and the new A's ballpark is expected to further support tourism.

While consumer spending in Nevada may continue to face headwinds related to slowing real wage growth, elevated housing and energy costs, and sluggish visitation in the near term, taxable sales, and therefore sales tax collections, have remained strong. This resilience is largely due to growth in categories more closely tied to business activity, such as professional services, information, manufacturing, and construction. The continued strength of state taxable sales will depend on the degree to which business activity can be sustained and to which both resident consumer spending and visitation continue to expand.

General Fund Revenue Forecast—Fiscal Years 2027, 2028, and 2029

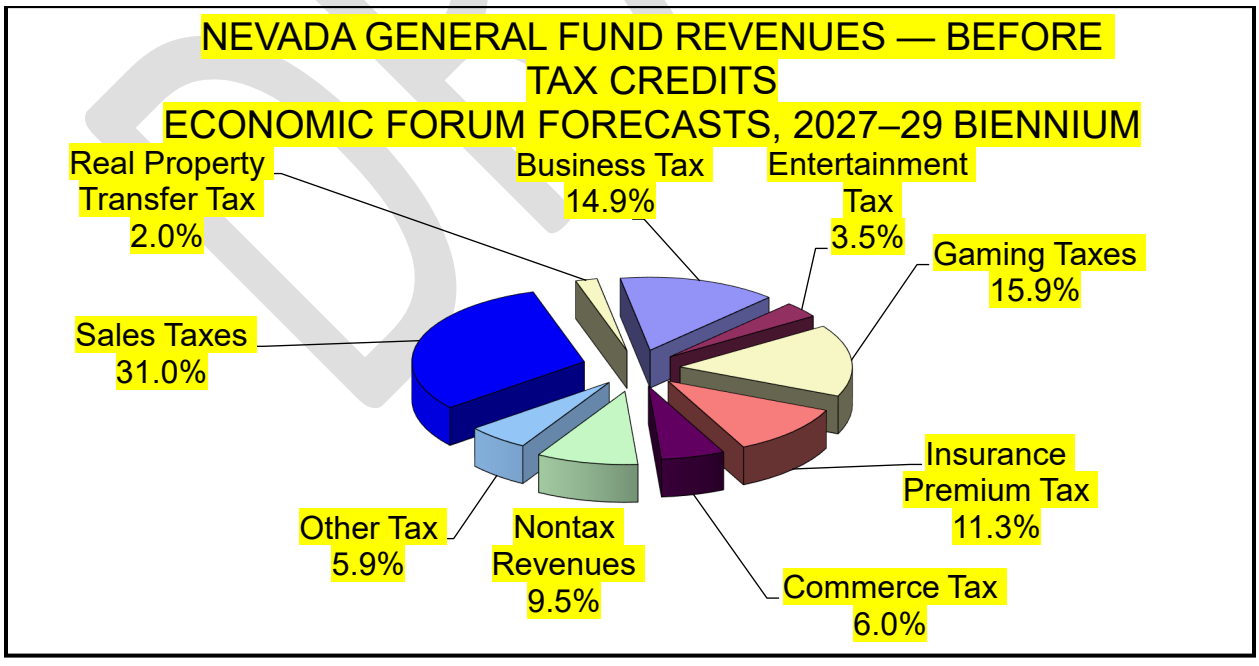
At the November 16, 2026, meeting, the Forum took into consideration presentations made at the meetings on September 9, 2026, and October 14, 2026, in determining its forecast of unrestricted General Fund revenues. These presentations included the Nevada employment outlook made by David Schmidt from the Department of Employment, Training and Rehabilitation and the U.S. and Nevada general economic outlook made by Kumael Bilgrami from Moody's Analytics. The Forum also took into consideration the economic outlooks used to derive the General Fund revenue forecasts made by the Budget Division, the Department of Taxation, the Gaming Control Board, the Office of the State Treasurer, Moody's Analytics, and the Fiscal Analysis Division. Exhibits presented to the Forum at its meetings are available from the Fiscal Analysis Division upon request, or on the Legislative Counsel Bureau's website: https://www.leg.state.nv.us/App/InterimCommittee/REL/Interim2025/Committee/2062/Meetings.

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Based on consideration of the information that was provided to the Forum at these meetings, the following forecast was approved at the November 16, 2026, meeting.

Total Nevada General Fund revenues, before the application of any tax credits approved by the Legislature, are forecast at $x.xxx billion for FY 2028 and $x.xxx billion for FY 2029. The 2027–29 biennial total of $xx.xxx billion is x.x% higher than the current revised estimate for FY 2027 and the actual collections for FY 2026 of $xx.xxx billion for the 2025–27 Biennium.

As reflected in the chart on the next page, gaming taxes are forecast to provide xx.x% of all General Fund revenues during the 2027–29 Biennium before the application of tax credits, a decrease from the xx.x% now estimated for the current biennium. Sales tax collections are forecast to provide xx.x% of all General Fund revenues during the 2027–29 Biennium before the application of tax credits, an increase from the xx.x% currently estimated for the 2025–27 Biennium. Modified Business Tax collections are forecast to provide xx.x% of all General Fund revenues during the 2025–27 Biennium before the application of tax credits, an increase from the xx.x% currently estimated for the 2025–27 Biennium.



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More detailed information on specific revenues in addition to gaming, sales, and modified business taxes is available in the accompanying table.

Sales Tax

Sales tax collections are forecast to reach $x.xxx billion in FY 2027, a x.x% increase from FY 2026 levels. Sales taxes are expected to increase by x.x% in FY 2028 and increase by x.x% in FY 2029. These forecasts result in projected total sales tax receipts of $x.xxx billion during the 2027–29 Biennium.

Gaming Percentage Fee Tax

Total gaming percentage fee tax revenues, before the effect of any tax credits that may be taken against this revenue source, are forecast to reach $xxx.x million in FY 2027, a decrease of x.x% from actual FY 2026 collections. From this base, the tax is estimated to increase by x.x% in FY 2028 and increase by x.x% in FY 2029 to yield revenues of $x.xxx billion for the General Fund during the 2027–29 Biennium.

Modified Business Tax

Total Modified Business Tax revenues, before the effect of the credit that may be taken against this tax by persons who pay the Commerce Tax and any other tax credits that may be taken against this revenue source, are forecast to reach $xxx.x million in FY 2027, an increase of x.x% from actual FY 2026 collections. Modified Business Tax collections are estimated to increase by x.x% in FY 2028 and increase by x.x% in FY 2029, which results in total projected revenues of $x.xxx billion for the General Fund during the 2027–29 Biennium.

Collections for the Modified Business Tax are additionally estimated to be reduced by $xx.x million in FY 2027, $xx.x million in FY 2028, and $xx.x million in FY 2029, as a result of the Commerce Tax Credit allowed against the Modified Business Tax. The Commerce Tax Credit is discussed in greater detail in the Commerce Tax subsection below.

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Insurance Premium Tax

Total Insurance Premium Tax revenues, before the effect of any tax credits that can be taken against this revenue source, are forecast to reach $xxx.x million in FY 2027, an increase of x.x% from actual FY 2026 collections. From this base, the tax is estimated to increase by x.x% in FY 2028 and increase by x.x% in FY 2029 to yield revenues of $x.xxx billion for the General Fund during the 2027–29 Biennium.

Live Entertainment Tax

Total Live Entertainment Tax revenues from gaming and nongaming establishments are forecast to reach $xxx.x million in FY 2027, a decrease of x.x% from actual FY 2026 collections. From this base, the tax is estimated to increase by x.x% in FY 2028 and increase by x.x% in FY 2029 to yield revenues of $xxx.x million for the General Fund during the 2027–29 Biennium.

Real Property Transfer Tax

Total Real Property Transfer Tax revenues are forecast to reach $xxx.x million in FY 2027, an increase of x.x% from actual FY 2026 collections. From this base, the tax is estimated to increase by x.x% in FY 2028 and increase by x.x% in FY 2029 to yield revenues of $xxx.x million for the General Fund during the 2027–29 Biennium.

Commerce Tax

Total Commerce Tax revenues are forecast to reach $xxx.x million in FY 2027, a decrease of xx.x% from actual FY 2026 collections. From this base, the tax is estimated to increase by x.x% in FY 2028 and increase by x.x% in FY 2029 to yield revenues of $xxx.x million for the General Fund during the 2027–29 Biennium.

Pursuant to NRS 363A.130 and NRS 363B.110, taxpayers who have a Commerce Tax liability in a preceding fiscal year are entitled to take a credit of up to 50% of that liability against the Modified Business Tax in the current fiscal year. Based on the actual FY 2026 Commerce Tax collections of $481.7 million, actual and projected revenue based on FY 2026 taxable activity but not collected until FY 2027, and historical usage of these

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credits against the Modified Business Tax, the Commerce Tax Credit is estimated at $xx.x million in FY 2027.

The Commerce Tax Credit is estimated to be $xx.x million in FY 2028 and $xx.x million in FY 2029, which yields total Commerce Tax Credits of $xxx.x million taken against the Modified Business Tax during the 2027–29 Biennium.

Interest Income—Treasurer

Total revenue generated from interest income is forecast to reach $xxx.x million in FY 2027, a decrease of x.x% from actual FY 2026 collections. From this base, this revenue is estimated to decrease by x.x% in FY 2028 and decrease by x.x% in FY 2029 to yield revenues of $xxx.x million for the General Fund during the 2027–29 Biennium.

Tax Credit Programs

Total credits from all other tax credit programs authorized by the Legislature are forecast to reduce General Fund revenues by $50.7 million in FY 2027, by $86.5 million in FY 2028, and by $76.6 million in FY 2029. The total forecast of $163.1 million in tax credits for the 2027–29 Biennium results in a reduction in General Fund revenue of $29.9 million compared to the $133.2 million in tax credits estimated for the 2025–27 Biennium, based on the actual credits taken in FY 2026 and the revised estimates for FY 2027.

Total General Fund Revenues

Total Nevada General Fund revenues, after the application of all tax credits, are forecast at $x.xxx billion for FY 2028 and $x.xxx billion for FY 2029. The 2027–29 biennial total of $xx.xxx billion is x.x% higher than the current revised estimate for FY 2027 and the actual collections for FY 2026 of $xx.xxx billion for the 2025–27 Biennium, after the application of all tax credits. This results in an estimated $xxx.x million increase in total General Fund revenues between the 2025–27 Biennium and the 2027–29 Biennium.

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