



NEWS RELEASE

February 19, 2025

Legislature and Governor's Office Release Updated Budget Estimates

SALT LAKE CITY (Feb 19, 2025) – Utah continues to lead the nation in economic strength and fiscal responsibility, ranking as the best state overall for two years in a row and maintaining the top economic outlook for 17 consecutive years. This success reflects the state's sound, fiscally conservative policies and strategic planning that have guided its growth.

The Utah State Legislature and Governor's Office revised revenue numbers for fiscal year (FY) 2025-26 show Utah's economy remains strong, with revenue continuing to grow by 3.5%. Overall economic growth remains positive, despite revenue being down from October estimates. Wages are rising, and retail sales remain on an upward trajectory. The state's economy continues to show strong and steady growth, maintaining momentum with impressive historical standards.

"Utah is consistently recognized as one of the best-managed states in the nation, and that's no accident," said Gov. Spencer Cox. "We work hard to ensure every dollar of state funds is spent wisely and reflects the values and priorities of Utahns. We'll continue to build a state that serves its people and stands as a beacon of economic prosperity for the nation."

"Our goal is to ensure Utah remains the best state for Utahns to thrive by fostering a stable and sustainable economic environment," said President J. Stuart Adams. "We will continue to prioritize Utah's long-term success by investing in the areas that matter most to our families, businesses and communities. The path we're charting today will preserve our high quality of life for generations to come."

Over the past four years, the Legislature has reduced Utahns' taxes by more than \$1.3 billion while making historic investments in critical areas like water, education and energy. The revenue estimates show a stable economy transitioning into a more normalized fiscal environment following the pandemic-driven revenue surge. This demonstrates Utah's resilience, which is the result of strategic, responsible planning and prudent saving.

"Utah's strong economy and forward-looking outlook have served us well, allowing us to both embrace opportunities and weather economic challenges," said Speaker Mike Schultz. "The Legislature is committed to continuing our longstanding tradition of responsible fiscal management. Our priorities remain clear: keeping Utah affordable, maintaining essential services and ensuring long-term prosperity for generations to come."

General Fund revenue changes

- Ongoing funds increased by \$16 million from October consensus numbers
- One-time funds decreased by \$900,000 from October consensus numbers

Income Tax Fund revenue changes

- Ongoing funds decreased by \$54 million from October consensus numbers
- One-time funds decreased by \$73 million from October consensus numbers

Transportation Fund revenue changes

- Ongoing funds increased by \$12.7 million from October consensus numbers
- One-time funds increased by \$9 million from October consensus numbers

The Executive Appropriations Committee anticipated decreased revenue and set aside \$112 million in high-risk revenue in December. The Legislature will finalize the state's budget before the legislative session adjourns on March 7, 2025. FY 2025-26 begins July 1, 2025.

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