

June 4, 2026

State Board of Examiners
c/o State Controller's Office
Statehouse Mail
Boise, ID 83702

Subject: FY2027 Request for Authority to Transfer Funds to Pay Refunds

Dear Members:

With record setting tax cuts, we are anticipating the demand for refunds to outpace the funds available in the Refund Fund. To ensure Idaho taxpayers receive refunds timely, we request your pre-approval to borrow additional funds per Idaho Code section 63-3067(2).

Our request is to:

- Transfer funds in \$20 million increments when the Refund Fund balance falls below \$5 million.
 - The request for these transfers will be made to Justin Collins, State Financial Officer, with notice to Brandon Woolf, State Controller, or his designee.
 - Based on the fund balances estimated by the Division of Financial Management and the Tax Commission, cash transfers are expected as follows: July 2026 (\$16MM), March 2027 (\$67MM), April 2027 (\$98MM), May 2027 (\$41MM), and June 2027 (\$13MM). (The table on the second page provides details of deposits and refunds.)
- Limit the maximum of \$234 million in cumulative transfers.
- Allow us to continue issuing refunds to taxpayers in an orderly and efficient manner without unnecessary delays due to cash flow constraints.
- Avoid delays in the 2nd offering of Parental Choice advanced payments that are due no later than August 30, per Idaho Code section 63-3029N(9) in FY 2027.
- Avoid interest expense when refunds aren't paid by statutory deadlines.

Pursuant to Idaho Code Section 63-3067(3), any unencumbered balance remaining in the state refund account on June 30, 2026, in excess of \$5 million will be transferred back to the General Fund unless you direct otherwise.

Thank you for your understanding of our critical mission of returning tax overpayments to Idaho citizens in a prompt and efficient manner.

Sincerely,



John Bernasconi
Chairman



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Estimated timing for cash transfers to the refund fund, based on research by Division of Financial Management (DFM) with input from the Tax Commission.

Fiscal Year 2027 Calendar Year	System Output				Revenue deposits, initial balance, withdrawals		running balance		Suggested Transfers	
	Individual Revenue	Individual Refund	Business Revenue	Business Refunds	Individual and Business Revenue	Initial Balance	Individual and Business Refunds	all transactions at end of month		refunds first, deposits last
2026 July	237,424,487	-20,768,592	17,489,760	-9,417,262	50,982,849	5,000,000	-30,185,854	25,796,995	5,000,000	15,092,927
2026 Aug	225,543,618	-19,735,192	7,965,037	-9,165,484	46,701,731		-28,900,676	43,598,051	27,082,174	-
2026 Sept	291,559,438	-18,318,431	79,329,265	-9,977,397	74,177,740		-28,295,828	89,479,963	45,488,077	-
2026 Oct	334,729,347	-26,386,044	11,421,341	-10,477,925	69,230,138		-36,863,969	121,846,132	82,801,849	-
2026 Nov	247,692,290	-32,187,630	5,219,425	-9,851,806	50,582,343		-42,039,436	130,389,039	109,992,550	-
2026 Dec	245,343,721	-42,850,065	88,434,464	-11,380,718	66,755,637		-54,230,783	142,913,893	106,344,110	-
2027 Jan	255,188,900	-3,235,962	109,920,625	-8,322,736	73,021,905		-11,558,698	204,377,099	161,541,049	-
2027 Feb	208,918,940	-108,815,814	16,155,527	-9,115,350	45,014,894		-117,931,164	131,460,829	116,631,790	-
2027 Mar	274,445,903	-233,193,248	58,955,725	-8,638,878	66,680,326		-241,832,126	5,000,000	5,000,000	66,938,207
2027 April	617,846,048	-196,004,425	116,499,234	-8,653,270	146,869,056		-204,657,695	5,000,000	5,000,000	97,883,004
2027 May	264,672,270	-129,229,435	13,546,643	-8,249,400	55,643,783		-137,478,834	5,000,000	14,390,222	40,917,526
2027 June	240,385,988	-65,681,142	50,217,425	-8,616,765	58,120,683		-74,297,907	5,000,000	5,000,000	12,720,563
FY Total										233,552,227