Deferred Maintenance and Repairs

DM&R result from maintenance not being performed on a timely basis and is the estimated cost to bring government-owned PP&E to an acceptable condition. DM&R exclude the cost of expanding the capacity of assets or upgrading them to serve needs different from those originally intended. The consequences of not performing regular maintenance and repairs could include increased safety hazards, poor service to the public, higher costs in the future, and inefficient operations. Estimated DM&R costs are not accrued in the Statements of Net Cost or recognized as a liability on the Balance Sheets.

The amounts presented for DM&R are allowed to be measured using one of the following three methods:

- Condition assessment surveys which are periodic inspections of government-owned property to determine the current condition and estimated cost to bring the property to an acceptable condition.
- Life-cycle cost forecast that is an acquisition or procurement technique that considers operation, maintenance, and other costs in addition to the acquisition cost of assets.
- Any other method of choice that is similar to the condition assessment survey or life-cycle costing methods.

The table below of DM&R is presented as a single estimate in accordance with SFFAS 42, *Deferred Maintenance and Repairs: Amending Statements of Federal Financial Accounting Standards 6, 14, 29, and 32.* These amounts were all measured using the condition assessment survey method. Refer to the individual financial statements of DOD, DOI, VA, DOE, and USDA for additional information on DM&R.

Deferred Maintenance and Repairs as of September 30, 2025, and 2024

(In billions of dollars)	2025	2024
Asset category:		
Property, plant, and equipment	353.9	330.9
Heritage assets	35.5	37.6
Stewardship land	1.2	1.1
Total deferred maintenance and repairs	390.6	369.6

Other Claims for Refunds

Other claims for refunds are claims filed for which specific administrative actions such as review by the courts are required before payments can be made and unasserted claims for refund by taxpayers or importers that may or may not become payable depending upon the resolution of subsequent events. As stated in SFFAS 7, *Accounting for Revenue and Other Financing Sources and Concepts for Reconciling Budgetary and Financial Accounting*, unasserted claims for refund such as unfiled claims for refunds or drawbacks for which no claim has been filed, are not known, therefore estimates are not able to be determined, and are not recognized on the Balance Sheet. Claims filed for refunds where required administrative actions are not yet complete as of the close of the reporting period may not be known however, the refunds may be reasonably estimable.

Management has estimated amounts that may be paid out as other claims for tax refunds. This estimate represents an amount (principal and interest) that may be paid for claims pending judicial review by the federal courts or, internally, by appeals. The total estimated payout (including principal and interest) for claims pending judicial review by the federal courts is $2.0 billion and $0.9 billion for FYs 2025 and 2024, respectively. For those under appeal, the estimated payout is $4.3 billion and $3.5 for FYs 2025 and 2024, respectively. To the extent judgments against the government for these claims prompt other similarly situated taxpayers to file similar refund claims, these amounts could become significantly greater.