



STATE OF ARKANSAS
**Department of Finance
and Administration**

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MEMORANDUM

TO: Jim Hudson, Secretary
Alan McVey, Deputy Director

FROM: Economic Analysis & Tax Research

SUBJECT: **General Revenue Report for July (FY 2026)**

DATE: August 4, 2025 Copy: Governor's Office

JULY REVENUE SUMMARY

Net Available General Revenues totaled \$557.5 million, \$29.8 million or 5.6 percent higher than last year and \$29.2 million or 5.5 percent above forecast.

Net Available revenue results were above forecast in Corporate and Individual Income Tax for the month, primarily due to estimated tax payments. July collections include some shifting of estimated tax payments from June because of the executive orders issued by Governor Sanders to provide relief to Arkansans affected by recent severe weather. Sales Tax collections were above forecast and year ago levels.

Among smaller revenue sources, Tobacco was below forecast by \$1.2 million. Severance and Franchise were above forecast by \$0.2 million each.

Gross General Revenues totaled \$636.8 million, an increase of \$21.0 million or 3.4 percent over last year and \$30.1 million or 5.0 percent above forecast.

Individual Income Tax collections totaled \$259.9 million. Collections rose by \$12.4 million, or 5.0 percent compared to last year. Compared to the forecast, collections were \$22.8 million, or 9.6 percent above forecast. Individual Withholding Tax revenue decreased by \$2.4 million from the prior year, reflecting the effects of the most recent tax cut.

Individual Income Tax Refunds totaled \$13.3 million, \$6.2 million below last year and \$0.4 million higher than forecast.

Sales and Use Tax collections totaled \$299.3 million, \$9.2 million or 3.2 percent higher than last year. Collections were above monthly forecast levels by \$2.0 million or 0.7 percent.

Corporate Income Tax collections, which typically include some degree of variability, totaled \$24.2 million, an increase of \$1.3 million from year ago and \$5.8 million greater than forecast.

Corporate Income Tax Refunds totaled \$0.3 million, an amount that is \$3.4 million lower than year ago levels and \$0.1 million below forecast.

Tobacco Tax collections, a smaller component of general revenue in annual terms, totaled \$14.9 million. Collections decreased by \$2.2 million from year earlier levels and were less than forecast by \$1.2 million. Monthly changes in tobacco tax collections can be attributed to uneven patterns of stamp sales to wholesale purchasers.

SPECIAL REVENUES OF NOTE

Educational Adequacy Fund: Act 107 of the Second Extraordinary Session of 2003 increased the state sales and use tax rate from 5.125% to 6.0%, effective March 1, 2004. Effective July 1, 2004 a new sales tax on selected services went into effect in addition to an increase in vending machine decal fees. Act 94 increased the minimum corporate franchise tax and the tax rate, effective for calendar years beginning January 1, 2004.

The additional revenues are deposited as special revenues to the Educational Adequacy Fund to be used to fulfill the financial obligations of the state to provide an adequate educational system. In July 2025, \$63.0 million was collected and deposited to the fund. After deductions, the net amount totaled \$61.2 million. The monthly collection is equivalent to a 4.8 percent increase from prior year collections.

Q: /Daily Report PDF Files/FY2026/01 July
Attachment (1)

July 2025 General Revenue Report

Economic Analysis and Tax Research, DFA

Forecast Date: 05/21/25

Millions of \$

	Actual July FY25	Forecast July FY26	Actual July FY26	<u>Change from Forecast</u>		<u>Change from Last Year</u>	
				Dollar Difference	Percent Difference	Dollar Difference	Percent Difference
Individual Income	247.4	237.1	259.9	22.8	9.6	12.4	5.0
Corporate Income	23.0	18.4	24.2	5.8	31.7	1.3	5.5
Sales & Use	290.1	297.3	299.3	2.0	0.7	9.2	3.2
Alcohol	7.5	7.6	7.4	-0.2	-2.9	-0.1	-1.7
Tobacco	17.1	16.1	14.9	-1.2	-7.3	-2.2	-12.9
Insurance	0.4	0.4	0.2	-0.2	-48.3	-0.2	-46.3
Racing	0.1	0.1	0.1	0.0	-26.5	0.0	1.5
Gaming	6.3	6.5	6.5	0.0	-0.3	0.1	2.2
Severance	1.2	1.4	1.6	0.2	12.1	0.3	26.7
Franchise	0.7	0.7	0.9	0.2	24.4	0.2	26.1
Real Estate Transfer	2.0	1.9	2.3	0.4	18.9	0.2	11.0
Miscellaneous	19.9	19.2	19.7	0.5	2.5	-0.2	-1.0
Total Gross	615.8	606.7	636.8	30.1	5.0	21.0	3.4
LESS: (SCSF/COF) ¹	18.2	18.2	19.1	0.9	5.0	0.9	5.2
Individual Income Refunds	19.4	12.9	13.3	0.4	2.7	-6.2	-31.8
Corporate Income Refunds	3.7	0.4	0.3	-0.1	-28.2	-3.4	-92.2
Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Econ Development Incentive	2.0	1.7	1.3	-0.4	-24.5	-0.7	-36.3
Amendment 82 Bonds	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Recycling Tax Credit	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Wood Energy Credit	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Water / Sewer Bonds	1.3	1.3	1.3	0.0	0.0	0.0	0.0
College Savings Bonds	0.0	0.0	0.0	0.0	0.0	0.0	0.0
City & County Tourist	0.2	0.2	0.2	0.0	11.0	0.0	0.0
Educational Excellence	39.8	40.2	40.3	0.1	0.3	0.5	1.4
Educational Adequacy	3.5	3.5	3.6	0.1	1.8	0.0	1.4
Highway Casino Transfer	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Available	527.7	528.3	557.5	29.2	5.5	29.8	5.6

Revenue Forecast Summary for the Month

July Gross: \$ 30.1 Million OR 5.0% Above Forecast
July Net Available: \$ 29.2 Million OR 5.5% Above Forecast

¹ State Central Services Fund and Constitutional Officers Fund.