



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 October 2025 (FY 2026)**

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

YEAR-TO-DATE REVENUE SUMMARY

Net Available General Revenues totaled \$2,265.9 million, \$41.4 million or 1.9 percent higher than year ago levels. After four months into the fiscal year, net available revenue is above forecast by \$90.5 million or 4.2 percent.

Gross General Revenues totaled \$2,646.0 million, representing an increase of \$14.1 million or 0.5 percent higher than last year. Gross general revenues are above forecast by \$90.6 million or 3.5 percent.

Individual Income Tax collections totaled \$1,121.5 million, \$5.1 million or 0.5 percent less than FY 2025 collections and \$62.9 million or 5.9 percent above forecast.

Individual Income Tax Refunds totaled \$98.9 million, down \$28.3 million or 22.3 percent compared to last year and \$10.1 million or 9.3 percent less than forecast.

Sales and Use Tax collections totaled \$1,213.2 million, an increase of \$38.6 million or 3.3 percent above FY 2025 and \$32.4 million or 2.7 percent above forecast.

Corporate Income Tax collections totaled \$130.0 million, a decrease of \$21.8 million from year-to-date FY 2025. Corporate income is less than forecast by \$8.0 million or 5.8 percent.

Corporate Income Tax Refunds totaled \$15.6 million, a decrease of \$1.0 million compared to the same year-to-date period last year.

OCTOBER REVENUE SUMMARY

Net Available General Revenues totaled \$503.5 million, \$14.3 million or 2.9 percent greater than last year and \$16.6 million or 3.4 percent above forecast.

Net Available revenue results were close to forecast as gains against forecast in Corporate Income Tax and Sales & Use Tax offset lower Individual Income Tax collections. Most smaller revenue sources were close to forecast.

Gross General Revenues totaled \$629.4 million, \$1.1 million or 0.2 percent higher than last year and \$10.8 million or 1.7 percent above forecast. Gross revenue from collections was above year ago primarily due to higher Sales Tax collections.

Individual Income Tax collections totaled \$266.8 million. Collections decreased by \$8.4 million, or 3.0 percent compared to last year. Compared to the forecast, collections were \$4.7 million, or 1.7 percent lower, due to less-than-expected return payments which may have been impacted by the extension of the due date to December 3, 2025.

Individual Income Tax Refunds totaled \$51.1 million, \$17.9 million less than last year and \$10.4 million below forecast.

Sales and Use Tax collections totaled \$304.3 million, \$6.2 million, or 2.1 percent greater than last year. Collections were above monthly forecast levels by \$8.9 million or 3.0 percent.

Corporate Income Tax collections totaled \$23.9 million, an increase of \$1.4 million from year ago, and \$4.1 million over forecast.

Corporate Income Tax Refunds totaled \$8.4 million, an amount that is \$3.3 million higher than year ago levels. Refunds were \$3.8 million above forecast.

Tobacco Tax collections, a smaller component of general revenue in annual terms, totaled \$15.0 million. Collections decreased by \$2.0 million from year earlier levels and were less than forecast by \$1.0 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 October 2025, \$63.7 million was collected and deposited to the fund. After deductions, the net amount is \$61.9 million. The monthly collection is equivalent to a 5.4 percent increase from prior year collections.

Q: /Daily Report PDF Files/FY2026/04 October
Attachment (2)

October 2025 Year-to-Date General Revenue Report

Economic Analysis and Tax Research, DFA

Forecast Date: 05/21/25

Millions of \$

	Actual Oct FY25	Forecast Oct FY26	Actual Oct FY26	<u>Change from Forecast</u>		<u>Change from Last Year</u>	
				Dollar	Percent	Dollar	Percent
				Difference	Difference	Difference	Difference
Individual Income	1,126.5	1,058.6	1,121.5	62.9	5.9	-5.1	-0.5
Corporate Income	151.8	138.0	130.0	-8.0	-5.8	-21.8	-14.4
Sales & Use	1,174.5	1,180.8	1,213.2	32.4	2.7	38.6	3.3
Alcohol	25.7	26.0	25.6	-0.4	-1.6	-0.1	-0.6
Tobacco	64.8	61.0	60.6	-0.4	-0.6	-4.2	-6.4
Insurance	29.1	32.1	33.6	1.5	4.7	4.5	15.6
Racing	0.2	0.4	0.3	-0.1	-32.0	0.0	19.9
Gaming	18.8	19.3	19.6	0.3	1.8	0.8	4.3
Severance	4.1	3.6	3.4	-0.2	-4.8	-0.7	-17.0
Franchise	3.7	4.1	5.4	1.3	32.0	1.7	46.2
Real Estate Transfer	2.6	2.6	2.6	0.0	0.3	0.0	0.0
Miscellaneous	29.9	28.9	30.1	1.2	4.3	0.2	0.7
Total Gross	2,631.9	2,555.4	2,646.0	90.6	3.5	14.1	0.5
LESS: (SCSF/COF) ¹	78.7	76.7	79.4	2.7	3.5	0.7	0.9
Individual Income Refunds	127.2	109.0	98.9	-10.1	-9.3	-28.3	-22.3
Corporate Income Refunds	16.6	7.0	15.6	8.6	122.4	-1.0	-6.2
Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Econ Development Incentive	6.0	6.8	5.0	-1.8	-26.5	-1.0	-17.0
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 Products Credit	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Water / Sewer Bonds	5.2	5.2	5.2	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	0.4	0.5	0.4	-0.1	-11.2	0.0	0.0
Educational Excellence	159.1	160.6	161.3	0.7	0.4	2.2	1.4
Educational Adequacy	14.1	14.2	14.3	0.1	0.4	0.2	1.4
Highway Casino Transfer	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Available	2,224.6	2,175.4	2,265.9	90.5	4.2	41.4	1.9

Revenue Forecast Summary for the Month

October Year-to-Date Gross: \$ 90.6 Million OR 3.5% Above Forecast

October Year-to-Date Net Available: \$ 90.5 Million OR 4.2% Above Forecast

¹ State Central Services Fund and Constitutional Officers Fund.

October 2025 General Revenue Report

Economic Analysis and Tax Research, DFA

Forecast Date: 05/21/25

Millions of \$

					<u>Change from Forecast</u>		<u>Change from Last Year</u>	
	Actual	Forecast	Actual		Dollar	Percent	Dollar	Percent
	Oct FY25	Oct FY26	Oct FY26		Difference	Difference	Difference	Difference
Individual Income	275.2	271.5	266.8		-4.7	-1.7	-8.4	-3.0
Corporate Income	22.5	19.8	23.9		4.1	20.6	1.4	6.0
Sales & Use	298.1	295.4	304.3		8.9	3.0	6.2	2.1
Alcohol	5.9	6.0	6.0		0.0	-0.7	0.0	0.6
Tobacco	17.0	16.0	15.0		-1.0	-6.4	-2.0	-11.9
Insurance	0.2	0.2	2.4		2.2	1,077.6	2.2	1,048.0
Racing	0.1	0.1	0.0		-0.1	-52.0	0.0	-23.7
Gaming	4.1	4.2	4.2		0.0	-0.2	0.1	1.2
Severance	0.8	0.7	0.7		0.0	-0.5	-0.1	-9.3
Franchise	1.1	1.4	2.5		1.1	81.4	1.4	129.2
Real Estate Transfer	0.0	0.0	0.0		0.0	0.0	0.0	0.0
Miscellaneous	3.2	3.3	3.7		0.4	11.1	0.4	12.9
Total Gross	628.3	618.6	629.4		10.8	1.7	1.1	0.2
LESS: (SCSF/COF) ¹	18.8	18.6	18.9		0.3	1.5	0.0	0.2
Individual Income Refunds	69.0	61.5	51.1		-10.4	-17.0	-17.9	-26.0
Corporate Income Refunds	5.1	4.6	8.4		3.8	81.5	3.3	64.2
Claims	0.0	0.0	0.0		0.0	0.0	0.0	0.0
Econ Development Incentive	1.3	1.7	2.2		0.5	27.2	0.9	71.8
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	0.3	0.2		-0.1	-26.0	0.0	0.0
Educational Excellence	39.8	40.1	40.3		0.2	0.6	0.5	1.4
Educational Adequacy	3.5	3.6	3.6		0.0	-1.0	0.0	1.4
Highway Casino Transfer	0.0	0.0	0.0		0.0	0.0	0.0	0.0
Net Available	489.3	486.9	503.5		16.6	3.4	14.3	2.9

Revenue Forecast Summary for the Month

October Gross:	\$ 10.8 Million OR 1.7% Above Forecast
October Net Available:	\$ 16.6 Million OR 3.4% Above Forecast

¹ State Central Services Fund and Constitutional Officers Fund.