STATE OF ARKANSAS
Department of Finance and Administration

Economic Analysis and Tax Research
1509 West Seventh Street, Suite 404
Post Office Box 3278
Little Rock, Arkansas 72203-3278
Phone: (501) 682-5495
Fax: (501) 682-1086
www.arkansas.gov/dfa

MEMORANDUM

TO: Jim Hudson, Secretary
Brad Nye, Deputy Director

FROM: Economic Analysis & Tax Research

SUBJECT: **General Revenue Report for October 2026 (FY 2027)**

DATE: November 3, 2026 Copy: Governor's Office

YEAR-TO-DATE REVENUE SUMMARY

Net Available General Revenues totaled $2,480.3 million, $214.4 million or 9.5 percent higher than year ago levels. After four months into the fiscal year, net available revenue is above forecast by $153.7 million or 6.6 percent.

Gross General Revenues totaled $2,855.7 million, representing an increase of $209.8 million or 7.9 percent more than last year. Gross general revenues are above forecast by $153.4 million or 5.7 percent.

Individual Income Tax collections totaled $1,147.3 million, $25.9 million or 2.3 percent more than FY 2026 collections and $24.6 million or 2.2 percent above forecast.

Individual Income Tax Refunds totaled $82.3 million, down $16.6 million or 16.7 percent compared to last year and $12.6 million or 13.2 percent less than forecast.

Sales and Use Tax collections totaled $1,309.4 million, an increase of $96.2 million or 7.9 percent above FY 2026 and $49.0 million or 3.9 percent above forecast.

Corporate Income Tax collections totaled $196.6 million, an increase of $66.5 million from year-to-date FY 2026. Corporate income tax is more than forecast by $64.5 million or 48.8 percent.

Corporate Income Tax Refunds totaled $17.2 million, an increase of $1.6 million compared to the same year-to-date period last year.

OCTOBER REVENUE SUMMARY

October revenues outpaced forecast and year-ago collections in the largest categories of sales tax and individual and corporate income taxes.

Net Available General Revenues totaled $570.6 million, $67.0 million or 13.3 percent higher than last year and $49.2 million or 9.4 percent above forecast.

Gross General Revenues totaled $692.5 million, $63.1 million or 10.0 percent greater than last year and $45.4 million or 7.0 percent above forecast.

Individual Income Tax collections totaled $291.0 million. Compared to the forecast, collections were $12.7 million or 4.5 percent higher. Collections increased by $24.1 million, or 9.1 percent, compared to last year. Return payments were up $18.1 million compared to a year ago primarily because of last year's disaster relief that granted an extension of the filing deadline to December 3 and shifted October 2025 payments into November and December. Withholding tax revenue increased by $5.0 million, or 2.2 percent, reflecting the income tax cut enacted this year retroactive to January 1, 2026.

Individual Income Tax Refunds totaled $37.8 million, $13.2 million less than last year and $11.2 million lower than forecast.

Sales and Use Tax collections totaled $329.6 million, $25.3 million, or 8.3 percent greater than last year. Double-digit growth was recorded in several of the largest major reporting sectors including Utilities, Manufacturing, Construction, and Accommodation and Food Services. Retail Trade grew 8.3 percent. Motor Vehicle collections were down 3.2 percent. Total collections were above monthly forecast by $21.9 million or 7.1 percent.

Corporate Income Tax collections totaled $37.5 million, an increase of $13.6 million from year ago, and $11.7 million above forecast. Growth in estimated payments offset declines in return payments.

Corporate Income Tax Refunds totaled $6.1 million, an amount that is $2.3 million below year ago levels. Refunds were $2.6 million less than forecast.

Tobacco Tax collections, a smaller component of general revenue in annual terms, totaled $15.7 million. Collections increased by $0.8 million from year-earlier levels and were above forecast by $1.8 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 2026, $68.8 million was collected and deposited into the fund. After deductions, the net amount is $66.8 million. The monthly collection is equivalent to an 8.0 percent increase from prior year's collections.

Q: /Daily Report PDF Files/FY2027/04 October
Attachment (2)

October 2026 Year-to-Date General Revenue Report

Economic Analysis and Tax Research, DFA

Forecast Date: 05/20/26

Millions of $

	Actual Oct FY26	Forecast Oct FY27	Actual Oct FY27	Change from Forecast: Dollar Difference	Change from Forecast: Percent Difference	Change from Last Year: Dollar Difference	Change from Last Year: Percent Difference
Individual Income	1,121.5	1,122.7	1,147.3	24.6	2.2	25.9	2.3
Corporate Income	130.0	132.1	196.6	64.5	48.8	66.5	51.2
Sales & Use	1,213.2	1,260.4	1,309.4	49.0	3.9	96.2	7.9
Alcohol	25.5	25.7	25.2	-0.5	-2.1	-0.4	-1.5
Tobacco	60.6	56.2	61.9	5.7	10.2	1.3	2.1
Insurance	33.6	37.1	39.4	2.3	6.2	5.8	17.2
Racing	0.3	0.4	0.2	-0.2	-41.9	0.0	-14.5
Gaming	19.6	19.7	21.3	1.6	7.9	1.6	8.4
Severance	3.4	5.4	4.3	-1.1	-20.9	0.8	24.7
Franchise	5.4	5.4	4.4	-1.0	-18.4	-1.0	-18.6
Real Estate Transfer	2.6	2.6	2.6	0.0	0.3	0.0	0.0
Miscellaneous	30.2	34.6	43.2	8.6	24.7	13.0	43.0
Total Gross	2,646.0	2,702.3	2,855.7	153.4	5.7	209.8	7.9
PLUS: Historic Rehab Credit	0.0	14.2	9.8	-4.4	-31.2	9.8	0.0
LESS: (SCSF/COF) [1]	79.4	81.1	85.7	4.6	5.6	6.3	7.9
Individual Income Refunds	98.9	94.9	82.3	-12.6	-13.2	-16.6	-16.7
Corporate Income Refunds	15.6	20.0	17.2	-2.8	-14.1	1.6	10.3
Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Econ Development Incentive	5.0	6.8	3.1	-3.7	-54.1	-1.9	-37.6
Amendment 82 Bonds	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Recycling Tax Credit	0.0	0.0	8.8	8.8	0.0	8.8	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	0.4	0.4	0.0	11.0	0.0	0.0
Educational Excellence	161.3	166.8	167.6	0.8	0.5	6.3	3.9
Educational Adequacy	14.3	14.7	14.8	0.1	0.8	0.6	3.9
Highway Casino Transfer	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Available	2,265.9	2,326.6	2,480.3	153.7	6.6	214.4	9.5

Revenue Forecast Summary for the Month

October Year-to-Date Gross: $ 153.4 Million OR 5.7% Above Forecast

October Year-to-Date Net Available: $ 153.7 Million OR 6.6% Above Forecast

[1] State Central Services Fund and Constitutional Officers Fund.

October 2026 General Revenue Report

Economic Analysis and Tax Research, DFA

Forecast Date: 05/20/26

Millions of $

	Actual Oct FY26	Forecast Oct FY27	Actual Oct FY27	Change from Forecast: Dollar Difference	Change from Forecast: Percent Difference	Change from Last Year: Dollar Difference	Change from Last Year: Percent Difference
Individual Income	266.8	278.3	291.0	12.7	4.5	24.1	9.1
Corporate Income	23.9	25.8	37.5	11.7	45.4	13.6	57.1
Sales & Use	304.3	307.7	329.6	21.9	7.1	25.3	8.3
Alcohol	5.9	6.0	5.7	-0.3	-5.3	-0.3	-4.5
Tobacco	15.0	13.9	15.7	1.8	13.3	0.8	5.2
Insurance	2.4	2.5	0.8	-1.7	-66.2	-1.5	-64.1
Racing	0.0	0.1	0.0	-0.1	-77.7	0.0	-53.6
Gaming	4.2	4.2	4.6	0.4	8.8	0.4	9.0
Severance	0.7	1.1	1.0	-0.1	-10.7	0.3	41.0
Franchise	2.5	2.5	1.5	-1.0	-41.5	-1.1	-42.4
Real Estate Transfer	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	3.7	5.0	5.1	0.1	1.5	1.4	37.9
Total Gross	629.4	647.1	692.5	45.4	7.0	63.1	10.0
PLUS: Historic Rehab Credit	0.0	0.0	0.0	0.0	0.0	0.0	0.0
LESS: (SCSF/COF) [1]	18.9	19.4	20.8	1.4	7.1	1.9	10.0
Individual Income Refunds	51.1	49.0	37.8	-11.2	-22.8	-13.2	-25.9
Corporate Income Refunds	8.4	8.7	6.1	-2.6	-30.0	-2.3	-27.1
Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Econ Development Incentive	2.2	1.7	1.3	-0.4	-24.6	-0.9	-40.8
Amendment 82 Bonds	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Recycling Tax Credit	0.0	0.0	8.8	8.8	0.0	8.8	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	40.3	41.7	41.9	0.2	0.5	1.6	3.9
Educational Adequacy	3.6	3.7	3.7	0.0	0.1	0.1	3.9
Highway Casino Transfer	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Available	503.5	521.4	570.6	49.2	9.4	67.0	13.3

Revenue Forecast Summary for the Month

October Gross: $ 45.4 Million OR 7.0% Above Forecast

October Net Available: $ 49.2 Million OR 9.4% Above Forecast

[1] State Central Services Fund and Constitutional Officers Fund.