State of Indiana

State Budget Agency
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Mike Braun, Governor

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Hari Razafindramanana, Chief Economist, the Office of the Chief Economist & Tax Analysis, released the monthly revenue report for state tax collections for the month of October 2026.

The monthly revenue estimates are based on the December 18, 2025 revenue forecast, which reflect revenue developments and the economic outlook presented on that date. This includes changes in tax deadlines, payment timing, as well as assumptions related to federal and state policy actions leading up to the release of the forecast.

Information on the latest forecast is available at SBA: 2025-2027 Revenue Forecast and Updates.

Fiscal Year 2027 began on July 1, 2026 and ends June 30, 2027.

Results

- General Fund revenues for October totaled $1,618.0 million, which is $69.7 million (4.5%) above the revenue estimate and $125.0 million (8.4%) above revenue in October 2025.

  Notably, better-than-expected collections from sales, income taxes, and interest outweighed lower-than-expected collections from miscellaneous revenue. It is still early in the fiscal year and most of the revenue activity occurs between December and June.

  Monthly fluctuations are expected in the context of timing of economic activity and tax planning from month to month. Revenues must be interpreted within the full fiscal year outlook and the balance of risks through FY 2027.

  Changes to law, which include changes related to income taxes, impact month-to-month fluctuations. Differences relative to monthly estimates and prior year actuals will be influenced by various factors including seasonality, evolving economic and financial market dynamics, timing of payments and refunds, federal policy actions, tax rates and other changes to law.

- Sales tax collections totaled $1,000.9 million for October, which is $44.3 million (4.6%) above the monthly estimate and $80.2 million (8.7%) above revenue in October 2025.

  October performance of 8.7% year-over-year growth, which mostly reflects September economic activity, compares to year-over-year growth of 5.4%, 3.3%, and 3.5% over the three preceding months.

Year-over-year differences and fluctuations from month-to-month are expected as outlined by the economic, seasonal, and policy dynamics presented in the December 18, 2025 revenue forecast.

- Total income tax collections totaled $496.9 million for October, which is $15.5 million (3.2%) above the monthly estimate and $49.8 million (11.1%) above revenue in October 2025.

- Individual income tax collections totaled $482.8 million for October, which is $9.0 million (1.9%) above the monthly estimate and $40.6 million (9.2%) above revenue in October 2025.

  Monthly collections related to tax withholdings came in $0.1million (0.0%) below the monthly estimate but $38.6 million (4.8%) above the prior year actuals.

  Other monthly individual income tax collections, net of refunds, came in $9.1 million (2.5%) above the monthly estimate and $2.1 million (0.6%) above prior year actuals.

  With important payment due dates, September, December, January, April, and June are the most important revenue months for individual income tax.

  Differences relative to monthly estimates are likely as various factors may impact monthly revenue activity including payment and refund timing, late payments, and more, within the context of an evolving economy. Income taxes should be interpreted within the fiscal year-to-date trend ahead of the highest revenue activity month of April.

- Total corporate tax collections totaled $14.2 million for October, which is $6.5 million (85.2%) above the monthly estimate and $9.1 million (181.8%) above revenue in October 2025.

  Similarly to individual income tax collections, corporate tax collections must be interpreted within the full fiscal year perspective and within the context of an evolving economy, changing tax requirements, and timing of payments and refunds.

  With important quarterly payment due dates, September, December, April, and June are the most important revenue months for corporate taxes.

- Riverboat wagering tax collections totaled $11.7 million for October, which is $3.4 million (41.3%) above the monthly estimate but $1.7 million (12.7%) below revenue in October 2025.

- Racino wagering tax collections totaled $10.2 million for October, which is $0.5 million (4.4%) below the monthly estimate but $0.2 million (2.0%) above revenue in October 2025.

- Cigarette tax collections totaled $47.2 million for October, which is $4.5 million (10.5%) above monthly estimate and $0.2 million (0.3%) above revenue in October 2025. Year-over-year differences are impacted by changes to law (HEA 1001-2025).

- Interest revenue collections totaled $33.2 million for October, which is $9.7 million (41.2%) above the monthly estimate and $1.3 million (4.0%) above revenue in October 2025.

Year-to-Date Commentary

Year-to-date General Fund revenues totaled $7,412.7 million, which is $167.0 million (2.3%) above the revenue estimate based on the December 18, 2025 revenue forecast and $432.6 million (6.2%) above revenues through the same period in the prior fiscal year.

The currently better-than-expected performance is largely driven by better-than-expected collections from sales tax, individual income taxes and corporate income taxes. Additional factors that will impact revenues month-to-month for the remainder of the fiscal year include fiscal impacts from the 2026 legislative session (not included at the time of the December 2025 forecast and in the current monthly estimates).

Year-to-date sales tax collections totaled $3,956.3 million, which is $35.4 million (0.9%) above the revenue estimate based on the December 18, 2025 revenue forecast and $195.6 million (5.2%) above collections through the same period in the prior fiscal year.

Year-to-date total income tax collections totaled $2,882.2 million, which is $124.7 million (4.5%) above the revenue estimate based on the December 18, 2025 revenue forecast and $268.5 million (10.3%) above collections through the same period in the prior fiscal year.

Year-to-date individual income tax collections totaled $2,539.0 million, which is $48.0 million (1.9%) above the revenue estimate based on the December 18, 2025 revenue forecast and $157.0 million (6.6%) above collections through the same period in the prior fiscal year. In addition to wages, financial markets and business activity, year-over-year comparisons are impacted by factors such as timing of payments and refunds, 5 Fridays, the reduction in the state individual income tax rate, as well as changes associated with federal tax conformity, pass-through entity tax, and more.

Year-to-date corporate tax collections totaled $343.2 million, which is $76.7 million (28.8%) above the revenue estimate based on the December 18, 2025 revenue forecast and $111.4 million (48.1%) above collections through the same period in the prior fiscal year. In addition to evolving business activity and financial markets, year-over-year comparisons are impacted by factors such as timing of payments and refunds, non-recurring corporate actions, changes to law, and more.