



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

**OFFICE OF THE SECRETARY**

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November 19, 2025

Wes Ward, Secretary of Agriculture  
1 Natural Resources Drive  
Little Rock, Arkansas 72205

Re: Agricultural Assistance Efforts: Income Tax Exemptions

Secretary Ward,

On behalf of the Department of Finance and Administration, we appreciate the opportunity to work together to provide necessary relief to the state's agriculture industry.

Regarding your request for confirmation concerning payments from the Emergency Commodity Assistance Program (ECAP), I can confirm that payments are exempt from state income tax for tax years beginning on or after January 1, 2025. Act 696 of 2025 provided an income tax exemption for certain disaster relief payments made by the United States Department of Agriculture (USDA) under Division B, Title I, of the American Relief Act of 2025. Any disaster relief payments made by the USDA under Division B, Title I, of the American Relief Act of 2025, which specifically includes stage 1 and stage 2 of the Supplemental Disaster Relief Program, are exempt from state income tax.

In addition, I can also confirm that payments from the Emergency Livestock Relief Program (ELRP) to cattle farmers and cattle ranchers are exempt from state income tax for the tax year in which the loss or expenses were incurred under Ark. Code Ann. § 26-51-314.

Please let me know if I can be of any additional assistance.

Sincerely,

A handwritten signature in blue ink, appearing to read "J. Hudson", is written over a light blue horizontal line.

Jim Hudson  
Secretary & Chief Fiscal Officer