

ARKANSAS REVENUE REPORT

January 2026

Prepared for: **MEMBERS OF THE ARKANSAS GENERAL ASSEMBLY**
HIGHLIGHTS OF THE MONTH AND YEAR-TO-DATE COLLECTIONS

Prepared by: **THE BUREAU OF LEGISLATIVE RESEARCH**

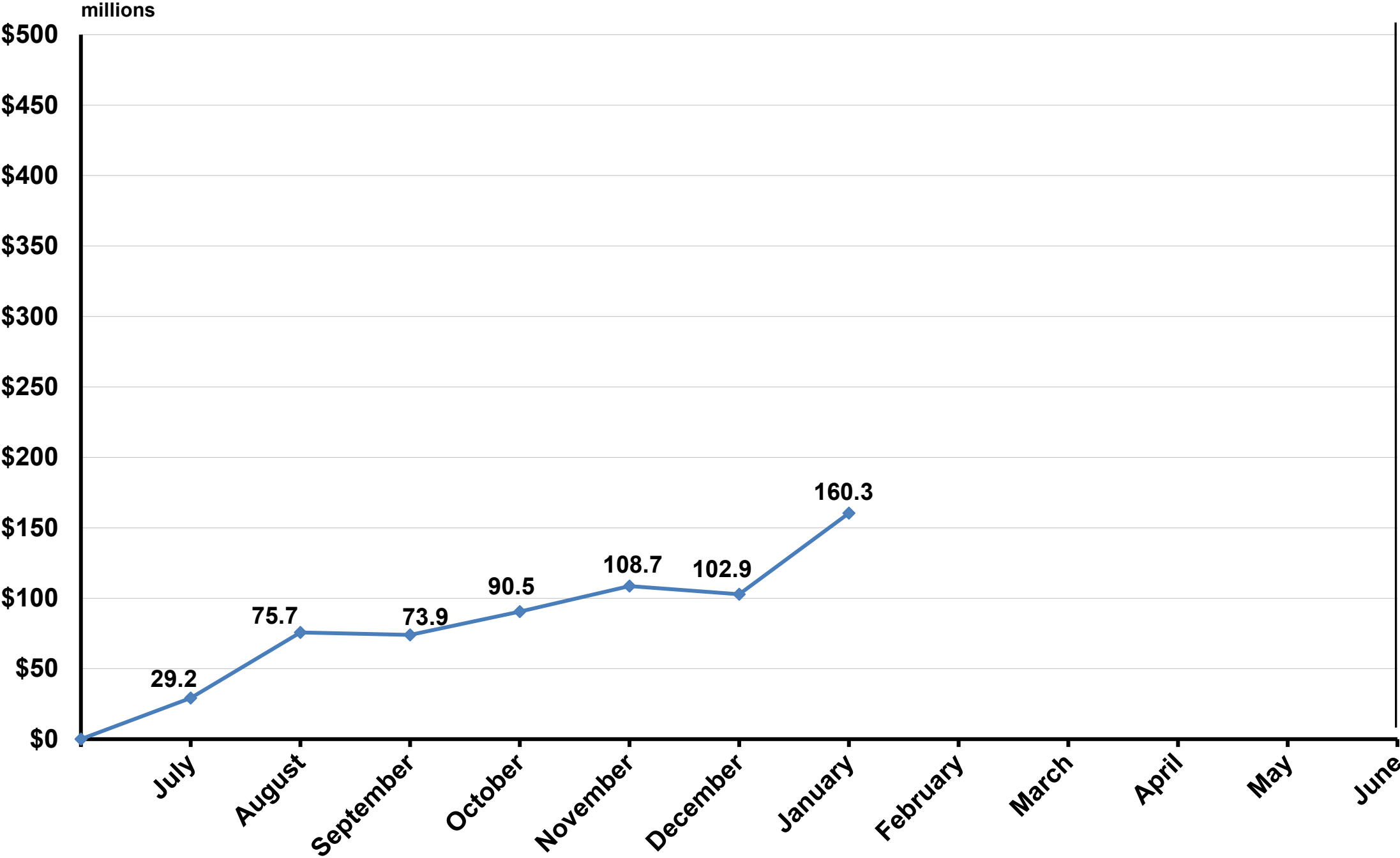
COMPARISON OF THE FIRST SEVEN MONTHS OF THE 2025-2026 FISCAL YEAR
DISTRIBUTION OF GROSS GENERAL REVENUES
WITH THE SAME PERIOD OF THE 2024-2025 FISCAL YEAR

State Fiscal Year is July 1, 2025 through June 30, 2026

Collections of Gross General Revenues year-to-date of approximately \$4.78 billion have increased \$80.8 million, or 1.7% above the \$4.70 billion collected last fiscal year-to-date. Net General Revenue Available for distribution of \$4.11 billion increased \$111.8 million, or 2.8% from the \$4 billion available for distribution in January 2025.

	2025-2026	2024-2025	Change
GROSS GENERAL REVENUES	\$4,790,193,798	\$4,706,989,634	1.8%
Less Claims & Taxes Erroneously Paid	\$238,529	\$419,065	
Uncollected Checks	\$1,347,255	\$993,824	
EFT Reversals	\$11,647,975	\$9,424,132	
ADJUSTED GENERAL REVENUES	\$4,776,960,039	\$4,696,152,613	1.7%
Less State Central Services Fund	\$95,539,201	\$93,715,842	1.9%
Constitutional Officers' Fund	\$47,769,600	\$46,862,854	1.9%
City-County Tourist Facilities	\$665,931	\$665,931	
Corporate Income Tax Refunds	\$47,617,448	\$68,586,349	-30.6%
Water Waste Pollution Abatement Bond	\$8,800,000	\$8,800,000	
Educational Excellence Trust Fund	\$282,266,974	\$278,458,837	1.4%
Economic Development Incentive	\$6,976,733	\$9,239,657	-24.5%
Recycling Tax Credit	\$0	\$0	
Wood Energy Credit	\$0	\$0	
College Savings Bond Fund	\$1,463,139	\$1,863,115	-21.5%
Educational Adequacy Fund	\$24,952,880	\$24,616,234	1.4%
Amendment 82 Bonds	\$751,407	\$814,366	-7.7%
GR Highway Casino Gaming	\$2,028,942	\$170,172	1092.3%
Individual Income Tax Refunds	\$148,684,649	\$164,723,795	-9.7%
NET AVAILABLE FOR DISTRIBUTION	\$4,109,443,135	\$3,997,635,461	2.8%

Cumulative Deviation From DFA Net General Revenue Available For Distribution Forecast



	January 2026	January 2025	Percent Change	Seven Months 2025 - 2026	Seven Months 2024 - 2025	Percent Change
<u>GENERAL REVENUES COLLECTED BY THE REVENUE DIVISION</u>						
Gross Receipt Taxes	\$323,732,893.99	\$304,736,714.78	6.2%	\$2,184,094,487.06	\$2,108,054,368.24	3.6%
<u>Income Taxes</u>						
Corporation - Final Payments	\$8,633,760.30	\$14,990,248.85	-42.4%	\$45,389,040.68	\$63,852,046.65	-28.9%
Corporation - Estimates	\$13,689,471.67	\$26,930,021.21	-49.2%	\$196,520,321.80	\$228,644,091.98	-14.0%
Individual - Final Payments	\$8,355,480.19	\$10,996,987.57	-24.0%	\$120,732,387.24	\$120,707,148.76	0.0%
Individual - Withholding - Monthly	\$298,806,693.43	\$248,099,419.65	20.4%	\$1,686,026,668.39	\$1,604,291,279.94	5.1%
Individual - Estimates	\$48,507,027.51	\$59,070,528.00	-17.9%	\$146,584,182.87	\$155,011,306.44	-5.4%
Pass-through Entity	\$2,244,151.17	\$1,977,577.33	13.5%	\$27,683,149.34	\$22,953,459.37	20.6%
Pass-through Entity - Estimates	\$27,924,731.15	\$30,303,368.80	-7.8%	\$98,482,339.73	\$117,151,742.59	-15.9%
Total Income Taxes	\$408,161,315.42	\$392,368,151.41	4.0%	\$2,321,418,090.05	\$2,312,611,075.73	0.4%
<u>Cigarette and Tobacco Taxes</u>						
Cigarette Tax	\$7,528,341.13	\$7,720,111.54	-2.5%	\$62,649,492.72	\$65,809,176.92	-4.8%
Cigar and Tobacco Taxes	\$6,178,743.18	\$6,487,110.85	-4.8%	\$40,829,870.67	\$43,124,441.43	-5.3%
Cigarette Paper Tax	\$65,660.43	\$83,729.65	-21.6%	\$463,838.25	\$517,184.26	-10.3%
Total Cigarette and Tobacco Taxes	\$13,772,744.74	\$14,290,952.04	-3.6%	\$103,943,201.64	\$109,450,802.61	-5.0%
<u>Alcoholic Beverage Taxes</u>						
Liquor Tax	\$860,399.03	\$983,484.58	-12.5%	\$6,334,386.93	\$6,489,558.31	-2.4%
Liquor Permits	\$39,300.00	\$18,710.00	110.0%	\$1,238,695.00	\$1,270,242.50	-2.5%
Retail Beer Tax	\$936,829.64	\$960,202.17	-2.4%	\$9,309,459.10	\$10,044,789.03	-7.3%
Beer Permits	\$4,950.00	\$14,875.00	-66.7%	\$236,842.50	\$309,487.50	-23.5%
Wine Distribution Tax	\$224,822.93	\$316,591.79	-29.0%	\$1,698,251.89	\$1,826,285.51	-7.0%
Small Winery Tax	\$9,185.26	\$9,565.25	-4.0%	\$63,691.46	\$68,155.98	-6.6%
Wine Permits	\$3,650.00	\$6,885.00	-47.0%	\$113,586.50	\$126,932.50	-10.5%
Liquor Enforcement Tax	\$33,521.98	\$36,081.59	-7.1%	\$253,722.49	\$253,429.58	0.1%
Wine Distribution Enforcement Tax	\$6,101.10	\$8,387.00	-27.3%	\$45,077.05	\$47,626.00	-5.4%
Winery Enforcement Tax	\$254.11	\$261.46	-2.8%	\$1,614.38	\$1,775.54	-9.1%
Beer Enforcement Tax	\$23,823.54	\$28,783.52	-17.2%	\$200,569.71	\$223,981.81	-10.5%
ABC Permit Violations	\$12,760.00	\$13,850.00	-7.9%	\$75,285.00	\$106,900.00	-29.6%
Light Wine Enforcement Tax	\$372.00	\$402.00	-7.5%	\$2,282.00	\$2,841.01	-19.7%
Light Wine Tax	\$4,265.43	\$4,753.00	-10.3%	\$25,721.19	\$31,187.68	-17.5%
Light Liquor Tax	\$96,064.00	\$64,933.31	47.9%	\$881,090.96	\$708,226.50	24.4%
Layout Center Permit	\$0.00	\$50.00	-100.0%	\$0.00	\$100.00	-100.0%
Hard Cider Permits	\$0.00	\$0.00		\$1,400.00	\$1,850.00	-24.3%
Total Alcoholic Beverage Taxes	\$2,256,299.02	\$2,467,815.67	-8.6%	\$20,481,676.16	\$21,513,369.45	-4.8%
<u>Racing Taxes</u>						
Dog Racing	\$12,950.46	\$14,923.33	-13.2%	\$107,480.11	\$101,748.82	5.6%
Horse Racing	\$138,669.33	\$148,944.89	-6.9%	\$537,912.48	\$466,652.54	15.3%
Casino License Fee	\$0.00	\$0.00		\$0.00	\$250,000.00	-100.0%
Casino Gaming Tax	\$5,777,039.24	\$4,926,687.44	17.3%	\$34,315,845.60	\$32,386,038.36	6.0%
Paid Fantasy Sports [19-6-201]	\$638,030.56	\$642,135.41	-0.6%	\$1,633,578.92	\$1,372,258.62	19.0%
Total Racing Taxes	\$6,566,689.59	\$5,732,691.07	14.5%	\$36,594,817.11	\$34,576,698.34	5.8%

	January 2026	January 2025	Percent Change	Seven Months 2025 - 2026	Seven Months 2024 - 2025	Percent Change
<u>Severance Tax - 3/4</u>	\$639,804.95	\$812,622.82	-21.3%	\$4,603,901.80	\$5,967,968.70	-22.9%
<u>Natural Gas Severance Tax</u>	\$0.00	\$0.00		\$675,000.00	\$675,000.00	
<u>Real Estate Transfer Tax</u>	\$0.00	\$0.00		\$2,607,788.32	\$2,607,788.32	
<u>Fines, Penalties and Court Cost</u>	\$17,511.78	\$112,635.57	-84.5%	\$301,707.95	\$649,762.85	-53.6%
<u>DWI Reinstatement Fee</u>	\$7,284.43	\$6,950.70	4.8%	\$61,112.87	\$62,426.34	-2.1%
<u>DUI Reinstatement Fee</u>	\$330.00	\$318.00	3.8%	\$2,895.00	\$2,943.00	-1.6%
<u>Dyed Distillate Special Fuel Gallonage Tax</u>	\$481,674.71	\$430,081.92	12.0%	\$5,789,839.48	\$5,532,896.66	4.6%
<u>Car Wash Fees</u>	\$109,414.68	\$95,455.95	14.6%	\$789,255.88	\$780,696.04	1.1%
<u>Miscellaneous Taxes</u>						
Vending Machine Decal	\$167.40	\$139.50	20.0%	\$306,428.04	\$260,691.90	17.5%
Bingo Registration	\$575.00	\$765.00	-24.8%	\$13,095.54	\$9,780.00	33.9%
Bingo Gross Receipts	\$11,770.46	\$10,773.00	9.3%	\$67,326.08	\$73,070.80	-7.9%
Total Miscellaneous Taxes	\$12,512.86	\$11,677.50	7.2%	\$386,849.66	\$343,542.70	12.6%
<u>SUBTOTAL REVENUE DIVISION</u>	\$755,758,476.17	\$721,066,067.43	4.8%	\$4,681,750,622.98	\$4,602,829,338.98	1.7%
<u>GENERAL REVENUES</u>						
<u>Secretary of State</u>						
Franchise Tax	\$632,813.60	\$417,106.49	51.7%	\$8,000,000.00	\$8,000,000.00	
Anonymous Campaign Contribution	\$0.00	\$0.00		\$0.00	\$50.00	-100.0%
<u>Insurance Department</u>						
Premium Tax	\$621,032.29	\$383,780.15	61.8%	\$69,290,575.17	\$62,932,542.33	10.1%
Labor Department						
Employment Agency Tax	\$0.00	\$0.00		\$0.00	\$2,174.00	-100.0%
State Auditor						
Unclaimed Property	\$0.00	\$0.00		\$15,550,007.34	\$15,848,023.76	-1.9%
State Highway & Transportation Dept.						
Motor Carrier Fees	\$27,767.64	\$18,506.09	50.0%	\$180,219.01	\$126,654.86	42.3%
Large Truck Speeding Fine	\$3,282.30	\$5,490.84	-40.2%	\$25,041.72	\$36,503.98	-31.4%
State Securities Department						
Securities Fees	\$425,000.50	\$2,714,027.94	-84.3%	\$14,466,836.56	\$15,929,623.48	-9.2%
Commissioner of State Lands						
Mineral Royalties & Leases	\$19,919.99	\$16,636.42	19.7%	\$141,431.57	\$191,839.06	-26.3%
Attorney General						
Professional Fund Raiser Fee	\$600.00	\$3,450.00	-82.6%	\$19,350.00	\$36,270.00	-46.7%

	January 2026	January 2025	Percent Change	Seven Months 2025 - 2026	Seven Months 2024 - 2025	Percent Change
Department of Finance & Administration						
Miscellaneous License-Temp	\$25,779.96	\$43,661.35	-41.0%	\$207,634.42	\$170,548.34	21.7%
Multi Tax Holding Account	(\$16,091.87)	(\$74,759.51)	-78.5%	\$562,079.06	\$886,065.42	-36.6%
<u>TOTAL GENERAL REVENUES</u>	<u>\$757,498,580.58</u>	<u>\$724,593,967.20</u>	<u>4.5%</u>	<u>\$4,790,193,797.83</u>	<u>\$4,706,989,634.21</u>	<u>1.8%</u>
<u>SPECIAL REVENUES COLLECTED</u>						
<u>BY THE REVENUE DIVISION BY</u>						
<u>BENEFITING FUND OR ACCOUNT:</u>						
<u>State Central Services</u>						
Driver's License Vision Test	\$213,500.38	\$213,620.34	-0.1%	\$1,578,005.29	\$1,656,191.16	-4.7%
Gross Receipt Tax Permit	\$20,773.51	\$23,050.00	-9.9%	\$215,802.82	\$200,701.55	7.5%
Liability Insurance Reinstatement Fee	\$0.00	(\$100.00)		(\$55.21)	(\$240.00)	-77.0%
Special License Plate Fee	\$305,717.64	\$297,995.25	2.6%	\$2,315,306.54	\$2,211,052.22	4.7%
Special Drivers License [27-16-801 806]	\$74,869.07	\$61,443.29	21.9%	\$484,988.81	\$433,584.23	11.9%
Validation Decal Fee [27-14-1015]	\$211,675.96	\$215,059.40	-1.6%	\$1,612,988.92	\$1,607,084.84	0.4%
DWI Reinstatement Fee [5-65-119(b)]	\$24,088.10	\$22,937.26	5.0%	\$201,721.99	\$206,006.80	-2.1%
Rental Car Search [27-50-906]	\$0.00	\$11.00	-100.0%	\$668.00	\$168.00	297.6%
Total State Central Services	<u>\$850,624.66</u>	<u>\$834,016.54</u>	<u>2.0%</u>	<u>\$6,409,427.16</u>	<u>\$6,314,548.80</u>	<u>1.5%</u>
<u>Highway and Transportation Department</u>						
Motor Vehicle Trip Permits	\$18,018.00	\$17,886.00	0.7%	\$263,406.00	\$225,192.00	17.0%
Motor Vehicle Licenses	\$13,956,044.77	\$15,308,096.55	-8.8%	\$79,413,212.12	\$81,495,468.32	-2.6%
Motor Fuels Tax	\$36,846,203.24	\$33,550,292.73	9.8%	\$249,307,737.45	\$248,948,187.47	0.1%
Motor Fuels Tax '79 [26-55-205(b)]	\$1,964,492.54	\$1,786,742.52	9.9%	\$13,275,356.99	\$13,257,696.94	0.1%
Motor Fuels Tax Inc '73 [26-55-205 26-56-201]	\$1,964,492.54	\$1,786,742.52	9.9%	\$13,275,356.99	\$13,257,696.94	0.1%
Motor Fuel Interstate Users	\$344,741.51	\$818,788.01	-57.9%	\$8,182,213.23	\$9,514,099.67	-14.0%
Cotton Trailer Registration Permit	\$503.73	\$0.00		\$37,024.00	\$37,032.32	0.0%
Electric/Hybrid Vehicle Registration Fee	\$427,515.62	\$346,767.15	23.3%	\$3,090,735.52	\$2,397,422.84	28.9%
Driver Search Fees [27-50-912 27-23-118]	\$11,175.00	\$1,260,072.00	-99.1%	\$4,639,294.94	\$5,025,146.12	-7.7%
Natural Gas Severance	\$1,976,158.39	\$1,084,205.37	82.3%	\$10,282,394.14	\$6,005,904.12	71.2%
Motor Fuel Wholesale Tax	\$4,525,140.24	\$3,998,469.84	13.2%	\$29,642,946.23	\$29,645,002.77	0.0%
Distillate Spec Fuel Wholesale Tax	\$3,391,503.61	\$3,302,839.28	2.7%	\$24,710,361.83	\$24,543,504.00	0.7%
Total Highway and Transportation Department	<u>\$65,425,989.19</u>	<u>\$63,260,901.97</u>	<u>3.4%</u>	<u>\$436,120,039.44</u>	<u>\$434,352,353.51</u>	<u>0.4%</u>
<u>State Police</u>						
Commercial Drivers Lic. Test	\$35,609.00	\$39,120.00	-9.0%	\$291,810.00	\$305,396.00	-4.4%
Liability Insurance Fine	\$550.00	\$700.00	-21.4%	\$4,350.00	\$4,300.00	1.2%
Driver's License Inc. [27-16-801]	\$453,602.32	\$422,788.11	7.3%	\$3,250,690.23	\$3,291,503.77	-1.2%
Drive Out License	\$184.00	\$136.00	35.3%	\$1,150.00	\$1,090.00	5.5%
Driver Test Fee	\$0.00	\$0.79	-100.0%	\$0.00	\$9.89	-100.0%
Addl Driver Search Fees [27-23-117]	\$1,540.50	\$243,327.00	-99.4%	\$841,799.74	\$992,654.03	-15.2%
VIN Inspection Fee [27-14-725]	\$65,554.90	\$54,291.42	20.7%	\$439,405.35	\$395,333.93	11.1%
Total State Police	<u>\$557,040.72</u>	<u>\$760,363.32</u>	<u>-26.7%</u>	<u>\$4,829,205.32</u>	<u>\$4,990,287.62</u>	<u>-3.2%</u>

	January 2026	January 2025	Percent Change	Seven Months 2025 - 2026	Seven Months 2024 - 2025	Percent Change
Miscellaneous Agencies						
Prostate Cancer Foundation-Add. Tobacco Tax	\$8,336.36	\$8,747.47	-4.7%	\$62,094.20	\$65,465.51	-5.1%
Forestry Commission						
Timber Severance	\$472,854.49	\$317,079.18	49.1%	\$2,369,483.68	\$2,301,283.15	3.0%
Boating Safety						
Motor Boat Registration	\$31,093.41	\$32,681.58	-4.9%	\$399,294.85	\$419,821.48	-4.9%
County Aid						
Severance Tax - 1/4	\$238,268.41	\$301,243.46	-20.9%	\$2,043,959.58	\$2,189,876.04	-6.7%
Real Estate Transfer [26-60-105]	\$178,727.84	\$171,470.66	4.2%	\$1,379,066.51	\$1,204,715.71	14.5%
Add.Severance Tax [26-58-113]	\$75,936.24	\$91,106.17	-16.7%	\$615,751.78	\$629,960.35	-2.3%
Aeronautics Department						
Aviation Sales Tax	\$973,666.26	\$1,048,589.73	-7.1%	\$14,476,876.66	\$10,890,736.86	32.9%
Soybean Board						
Soybean Tax - State	\$452,756.44	\$582,845.46	-22.3%	\$2,391,933.40	\$2,695,566.45	-11.3%
Soybean Tax - National	\$450,423.95	\$580,868.53	-22.5%	\$2,381,462.64	\$2,685,251.31	-11.3%
Oil Museum						
Severance Tax - Oil & Brine	\$6,205.60	\$5,871.85	5.7%	\$40,989.01	\$39,159.62	4.7%
Clerks Continuing Education						
Real Estate Transfer [26-60-105]	\$0.00	\$0.00		\$124,742.27	\$124,742.27	
Oil & Gas Commission						
Additional Severance Tax - Brine	\$10,076.40	\$9,081.17	11.0%	\$60,752.28	\$59,425.86	2.2%
Ark. Beef Council						
Beef Council - State	\$29,759.50	\$30,450.50	-2.3%	\$228,553.92	\$233,027.92	-1.9%
Beef Council - National	\$29,759.50	\$30,450.50	-2.3%	\$228,553.92	\$233,027.91	-1.9%
Wheat Board						
Wheat Tax	(\$671.05)	\$752.92	-189.1%	\$43,314.63	\$60,083.34	-27.9%
Rice Board						
Rice Tax	\$346,604.30	\$516,404.63	-32.9%	\$3,402,761.42	\$3,703,786.89	-8.1%
Ark. Natural & Cultural Resources Grant & Trust						
Add'l. Real Estate Transfer - 80%	\$2,859,645.59	\$2,743,928.59	4.2%	\$25,058,876.46	\$22,268,852.69	12.5%
Parks & Tourism						
Add'l Real Estate Transfer - 10%	\$357,455.69	\$342,991.07	4.2%	\$3,132,359.30	\$2,783,606.52	12.5%
Natural & Cultural Resources Historic Preservation						
Add'l Real Estate Transfer - 10%	\$357,455.69	\$342,991.07	4.2%	\$3,132,359.30	\$2,783,606.52	12.5%

	January 2026	January 2025	Percent Change	Seven Months 2025 - 2026	Seven Months 2024 - 2025	Percent Change
Public Health						
DWI Reinstatement Fee [5-65-119(a)]	\$5,109.59	\$4,865.47	5.0%	\$42,789.50	\$43,698.44	-2.1%
DUI Reinstatement Fee [5-65-310]	\$220.00	\$212.00	3.8%	\$1,930.00	\$1,962.00	-1.6%
Amusement Machines	\$390.47	\$515.00	-24.2%	\$45,057.79	\$48,571.05	-7.2%
Disease & Pest Control						
Livestock & Poultry Vacc. Fee	\$38,393.43	\$40,765.00	-5.8%	\$297,459.15	\$333,921.91	-10.9%
Petroleum Storage Tank						
Environmental Assurance Fee	\$657,193.40	\$586,645.77	12.0%	\$4,632,025.43	\$4,519,254.43	2.5%
Commercial Drivers License						
Driver's Search Fee	\$4,369.00	\$353,394.00	-98.8%	\$1,409,263.82	\$1,364,789.35	3.3%
Commercial Drivers License Fee	\$68,032.85	\$53,993.49	26.0%	\$447,169.26	\$429,104.64	4.2%
CDL Fund - Expedited Title Fee	\$222,683.96	\$305,876.55	-27.2%	\$1,439,438.39	\$1,981,668.48	-27.4%
CDL Fund - Title Application Fee	\$943.06	\$1,035.82	-9.0%	\$13,329.24	\$12,631.96	5.5%
Swine Testing						
Swine Testing Fee	\$19.00	\$0.00		\$79.00	\$554.00	-85.7%
Telecommunication Equipment						
Local Exchange Carrier Surcharge	\$52,625.27	\$53,300.63	-1.3%	\$360,894.37	\$353,426.98	2.1%
Conservation Tax						
Sales & Use Tax - 1/8 cent	\$10,161,427.56	\$9,524,683.85	6.7%	\$68,268,638.68	\$64,991,148.88	5.0%
Arkansas Corn and Grain Promotion						
Corn & Grain Assessment	\$137,331.45	\$112,213.15	22.4%	\$779,765.88	\$653,726.88	19.3%
Catfish Promotion Board						
Catfish Feed Assessment	\$63.36	\$44.52	42.3%	\$18,468.03	\$19,988.82	-7.6%
Game Protection						
Fines & Interest	\$87,796.71	\$89,797.13	-2.2%	\$599,575.00	\$584,673.23	2.5%
Public School						
Amusement Machines	\$0.00	\$0.00		\$30,000.00	\$30,000.00	
Breast Cancer Research (UAMS)						
Additonal Tobacco Tax	\$58,608.32	\$61,497.60	-4.7%	\$437,746.08	\$461,487.36	-5.1%
Breast Cancer/Komen License Plate	\$11,357.35	\$12,196.33	-6.9%	\$92,480.57	\$94,682.43	-2.3%
Breast Cancer Control (Health Dept.)						
Additional Tobacco Tax	\$209,359.90	\$219,681.22	-4.7%	\$1,564,279.62	\$1,649,107.81	-5.1%
Aging and Adult Services (Meals on Wheels)						
Additional Tobacco Tax	\$117,896.97	\$123,718.29	-4.7%	\$946,456.73	\$996,447.35	-5.0%
UAMS						
Additional Tobacco Tax	\$25,772.02	\$27,042.56	-4.7%	\$192,731.27	\$203,179.37	-5.1%

	January 2026	January 2025	Percent Change	Seven Months 2025 - 2026	Seven Months 2024 - 2025	Percent Change
<u>Property Tax Relief - Amendment 79</u>						
Sales & Use Tax - 1/2 cent	\$35,520,606.66	\$33,381,637.27	6.4%	\$239,154,735.03	\$229,620,587.24	4.2%
Dyed Diesel Tax [26-56-224]	\$53,331.70	\$47,783.29	11.6%	\$642,413.70	\$611,228.28	5.1%
<u>Education Adequacy</u>						
Sales & Use Tax - 7/8 cent	\$62,214,632.09	\$58,484,893.01	6.4%	\$422,690,679.17	\$404,081,001.14	4.6%
Dyed Diesel Tax [26-56-224]	\$93,487.28	\$83,761.22	11.6%	\$1,126,113.35	\$1,071,447.34	5.1%
<u>In God We Trust</u>						
Special License Plate Fee [27-15-4903 4904]	\$10,482.79	\$9,914.48	5.7%	\$79,113.35	\$76,150.60	3.9%
<u>REVENUE DIVISION:</u>						
<u>TOTAL SPECIAL REVENUES COLLECTED</u>	<u>\$183,464,143.38</u>	<u>\$175,592,304.02</u>	<u>4.5%</u>	<u>\$1,254,244,490.14</u>	<u>\$1,215,263,626.30</u>	<u>3.2%</u>

**Official General Revenue
Forecast - FY26/27 (Revision)**



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

OFFICE OF THE SECRETARY
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January 30, 2026

The Honorable Ben Gilmore, Co-Chair
The Honorable Les Eaves, Co-Chair
Arkansas Legislative Council
State Capitol
Little Rock, Arkansas 72201

Dear Senator Gilmore and Representative Eaves:

In accordance with Arkansas Code Annotated §19-4-304(b)(1), I am attaching tables summarizing the January 30, 2026, revision to the Official General Revenue Forecast for Fiscal Years 2026 and 2027.

Summary of Net Available Revenues:

FY 2025 net available revenues totaled \$6,679.4 million, a decrease of \$221.1 million or 3.2 percent from FY 2024. A surplus of \$367.9 million resulted from exceeding the full amount of the allocations in the Revenue Stabilization Law.

After six months into FY 2026, year-to-date net available revenues have risen by \$73.4 million, or 2.2 percent, from year earlier levels, resulting in collections that are \$102.9 million above forecast at that point. Sales and use tax collections and individual income taxes have been above forecast. Corporate Income tax collections are below forecast.

FY 2026 net available revenues are now expected to reach \$6,828.4 million, an increase of \$149.0 million, or 2.2 percent from FY 2025 results. This is an increase of \$149.3 million over the May 21, 2025 forecast. The FY 2026 forecast is expected to fully fund the Revenue Stabilization Law and provide a surplus of \$334.4 million.

A notable amount of FY 2026 revenue is due to one-time factors. An estimated \$41 million was shifted from FY 2025 into FY 2026 due to the extension of the filing deadline to July 31 for individual and corporate income tax payments resulting from Executive Orders 25-08 and 25-09 issued by Governor Sanders to provide relief to Arkansans affected by severe weather. The extended deadlines were later revised to December 3,

2025. Additionally, income tax withheld from the December 2025 Powerball jackpot winnings contributed another \$32 million. The combined total of \$73 million is accounted for in individual income tax collections. The Department of Finance and Administration adjusted out these one-time revenues in developing its forecast for FY 2027.

FY 2027 net available revenues are expected to reach \$7,015.4 million, an increase of \$187.0 million or 2.7 percent above FY 2026. The forecast projects a decline in corporate income tax revenues due to the extension of the Net Operating Loss carryovers and phased-in repeal of the throwback rule.

The adjustments in forecasted FY 2026 and FY 2027 net available revenues relative to the May 21, 2025 Official General Revenue Forecast are attributable to the due date extension, year-to-date realized collections, the Powerball jackpot winnings, and changes in economic conditions that are discussed in more detail below.

Economic Forecast Assumptions

Economic forecasts employed by the Department of Finance and Administration indicate continuing but generally slower growth in 2026 and 2027. Near term inflation expectations have been reduced as lower effective tariff rates are assumed. Inflation, as measured broadly across consumers, businesses, and government by the GDP deflator is expected at 3.0 percent in FY 2026 and 2.5 percent in FY 2027.

Growth in U.S. real GDP is projected at 2.1 percent in FY 2026 and 2.1 percent in FY 2027. Arkansas real GDP growth is projected at 1.7 percent in FY 2026 and 1.6 percent in FY 2027. For both Arkansas and the U.S., the projected growth is 0.5% to 1.0% higher than assumed eight months ago.

After growth of 1.3 percent in FY 2025, Arkansas payroll employment will slow to 1.0 percent in FY 2026 and then 0.3 percent in FY 2027. Unemployment rates in Arkansas will continue to remain lower than in the U.S. but will rise from 3.6 percent in FY 2025 to 4.3 percent in FY 2027. After ticking up to 5.6 percent in FY 2025, wage and salary disbursements are expected to grow 4.9 percent and 4.6 percent over the next two years.

The revenue forecast is predicated on S&P Global Market Intelligence's baseline economic forecast which is assigned a 50 percent probability and does not include a recession but continued, albeit slower, growth. The economic risks around the baseline are tilted to the upside. An alternative optimistic scenario is characterized by faster moderation in inflation. The optimistic scenario is assigned a 30% probability. The pessimistic scenario, with a 20% probability, is characterized by higher inflation and deteriorating financial conditions creating risk of an economic downturn. At the time of the previous general revenue forecast, the risks to the economic forecast were tilted 35% pessimistic and 15% optimistic.

The Department will act expeditiously to adjust the forecast and budgets if conditions warrant. The department utilizes more stable and conservative forecast sources and models among national forecast contractors to maintain a conservative input process. Revenue sources are evaluated separately to capture collection issues for each contributing revenue line. We have provided a conservative revenue forecast recognizing the growth opportunities and the risk profile.

Finally, all forecasted revenue amounts assume no future changes in state law concerning tax policy. In the event changes are enacted, the Department will revise its forecast accordingly.

I have attempted to provide this information in a format that facilitates your work. A narrative summary of the revenue forecasts and tables for quick reference are included with this letter.

Sincerely,

A handwritten signature in dark ink, appearing to be 'JLH', written in a cursive style.

James L. Hudson
Cabinet Secretary

JLH/wlm
Attachments (3)

cc: Governor Sarah Huckabee Sanders
Rep. Brian Evans, Speaker of the House
Sen. Bart Hester, President Pro Tempore

STATE AND NATIONAL ECONOMIC AND REVENUE FORECASTS

The following sections summarize the economic outlook for the nation and Arkansas for the next two years with comments updating current year (FY 2026) conditions. The Official Revenue Forecast for fiscal years 2026 and 2027 is included.

The revenue forecasts are conditionally based on the expected economic conditions in the state and nation as of December 2025. The U.S. and state economic forecasts were compiled from simulations representing structural economic modeling systems at S&P Global Market Intelligence. The Office of Economic Analysis and Tax Research, DFA, prepared the general revenue forecast.

Economic and Revenue Estimates for Fiscal Year 2026

- **FY 2026 U.S. Gross Domestic Product (Real Output).** This summary is based on the December 2025 baseline forecast of S&P Global Market Intelligence. During FY 2026, the United States economy is expected to produce final goods and services valued in inflation-adjusted dollars at \$24,094.1 billion, an increase of \$498.0 billion or 2.1 percent. Two general measures of inflation indicate low to moderate price pressures during the year. The Consumer Price Index is expected to increase 2.8 percent and the GDP price deflator is expected to rise 3.0 percent.
- **U.S. gross domestic product in current dollars** is estimated at \$31,511.1 billion, an increase of \$1,545.0 billion or 5.2 percent over FY 2025.
- **Average annual U.S. oil prices** are estimated at \$60 per barrel (domestic crude price to refineries) in FY 2026. Weekly and monthly price swings could vary widely around the annual average.
- **FY 2026 Arkansas total personal income** is estimated at \$196.6 billion (current dollars), an increase of \$7.7 billion or 4.1 percent over FY 2025. Solid growth in all components except farm income is expected.
- **FY 2026 Arkansas wage and salary disbursements** are estimated at \$88.3 billion, an increase of \$4.1 billion or 4.9 percent. Following growth of 6.6 percent in FY 2025, wage growth moderates as employment growth slows.
- **FY 2026 Arkansas payroll employment** is expected to reach a level of 1.389 million jobs, an increase of approximately 13,500 jobs or 1.0 percent. Gains are largely attributable to the service sectors and most notably to health care and social assistance services growing 3.8 percent. Manufacturing job growth is 0.9 percent.

FY 2026 Gross General Revenues

Gross general revenues are estimated at \$8,436.2 million, an increase from FY 2025 of \$76.5 million, or 0.9 percent.

The total fee deducted from general revenue for funding of the State Central Services Fund and Constitutional Officers Fund for FY 2026 is assumed to remain at 3.0 percent.

In addition to the usual deductions from gross general revenues, such as the Constitutional Officers Fund, the State Central Services Fund, and refunds of individual and corporate income taxes, the following trust fund is noted:

- **Act 1315 (1999) Educational Excellence Trust Fund.** Act 1315 (1999) established a benchmark of 14.14 percent which is applied against actual sales and use tax collections of the previous fiscal year. \$483.9 million is estimated to be distributed (net) in FY 2026.

FY 2026 Net Available General Revenues

Net available revenues are estimated at \$6,828.4 million, an increase of \$149.0 million or 2.2 percent compared to FY 2025 and include impacts from recent individual and corporate income tax cuts to collections and refunds.

FY 2026 revenues are expected to fully fund the approved Revenue Stabilization Law and a surplus of \$334.4 million is indicated.

FY 2026 Selected Special Revenues:

- **FY 2026 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. Effective with FY 2008, a portion of the six-cent per gallon dyed diesel tax is also deposited to the Educational Adequacy Fund to partially offset the revenue loss from exempting dyed diesel from sales tax.

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. Estimate for FY 2026: \$754.3 million.

- **FY 2026 WorkForce 2000 (Special Corporate Income Taxes).** Act 1315 (1999) established a benchmark of 6.78 percent which will be applied against net corporate income tax collections in the previous fiscal year. \$29.0 million is estimated to be distributed in FY 2026.

Economic and Revenue Estimates for Fiscal Year 2027

- **FY 2027 U.S. Gross Domestic Product (Real Output).** This summary is based on the December 2025 baseline forecast of S&P Global Market Intelligence. During FY 2027, the United States economy is expected to produce final goods and services valued in inflation-adjusted dollars at \$24,603.6 billion, an increase of \$509.5 billion or 2.1 percent. Two general measures of inflation indicate low price pressures during the year. The Consumer Price Index is expected to increase 2.7 percent and inflation as measured by the GDP price deflator is expected to be 2.5 percent.
- **U.S. gross domestic product in current dollars** is estimated at \$32,996.9 billion, an increase of \$1,485.7 billion or 4.7 percent over FY 2026.
- **Average annual U.S. oil prices** are estimated at \$58 per barrel (domestic crude price to refineries) in FY 2027, a decrease of 3.7 percent. Weekly and monthly price swings could vary widely around the annual averages.
- **FY 2027 Arkansas total personal income** is estimated at \$206.8 billion (current dollars), an increase of \$10.3 billion or 5.2 percent over FY 2026. Farm income continues to provide some drag against the growth in all other components, but the forecast does not assume any significant further decline in the farm economy.
- **FY 2027 Arkansas wage and salary disbursements** are estimated at \$92.3 billion, an increase of \$4.0 billion or 4.6 percent.
- **FY 2027 Arkansas payroll employment** is expected to grow slightly to a level of 1.393 million jobs, an increase of approximately 3,600 jobs or 0.3 percent.

FY 2027 Gross General Revenues

Gross general revenues are estimated at \$8,668.2 million, an increase from FY 2026 of \$232.0 million, or 2.8 percent.

The total fee deducted from general revenue for funding of the State Central Services Fund and Constitutional Officers Fund for FY 2027 is assumed to remain at 3.0 percent.

In addition to the usual deductions from gross general revenues, such as the Constitutional Officers Fund, the State Central Services Fund, and refunds of individual and corporate income taxes, the following trust fund is noted:

- **Act 1315 (1999) Educational Excellence Trust Fund.** Act 1315 (1999) established a benchmark of 14.14 percent which is applied against actual sales and use tax collections of the previous fiscal year. \$494.6 million is estimated to be distributed (net) in FY 2027.

FY 2027 Net Available General Revenues

Net available revenues are estimated at \$7,015.4 million, an increase of \$187.0 million or 2.7 percent compared to FY 2026.

FY 2027 Selected Special Revenues:

- **FY 2027 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. Effective with FY 2008, a portion of the six-cent per gallon dyed diesel tax is also deposited to the Educational Adequacy Fund to partially offset the revenue loss from exempting dyed diesel from sales tax.

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. Estimate for FY 2027: \$776.3 million.

- **FY 2027 WorkForce 2000 (Special Corporate Income Taxes).** Act 1315 (1999) established a benchmark of 6.78 percent which will be applied against net corporate income tax collections in the previous fiscal year. \$26.5 million is estimated to be distributed in FY 2027.

**Office of the Secretary and
Economic Analysis and Tax Research,
Department of Finance and Administration
January 30, 2026**

Official General Revenue Forecast
FY 2026 - 2027

Millions of Dollars	FY 25	01/30/26	FY 26	Yr/Yr	01/30/26	FY 27	Yr/Yr
	Actual	Estimate	Increase	% CH	Estimate	Increase	% CH
Individual Income	3,594.3	3,706.0	111.7	3.1	3,771.4	65.4	1.8
Corporate Income	533.1	476.6	-56.5	-10.6	467.9	-8.7	-1.8
Sales and Use Tax	3,527.9	3,605.8	77.9	2.2	3,719.0	113.2	3.1
Alcohol	78.1	76.5	-1.6	-2.1	75.0	-1.5	-2.0
Tobacco	182.9	174.2	-8.7	-4.8	161.8	-12.4	-7.1
Insurance	281.8	238.8	-43.0	-15.3	298.7	59.9	25.1
Racing	1.4	1.2	-0.2	-11.3	1.2	0.0	0.0
Gaming	62.0	64.5	2.5	4.0	66.6	2.1	3.3
Severance	10.6	8.3	-2.3	-21.6	8.0	-0.3	-3.6
Franchise	8.0	8.0	0.0	0.0	8.0	0.0	0.0
Real Estate Transfer	2.6	2.6	0.0	-0.3	2.6	0.0	0.0
Miscellaneous	77.0	73.7	-3.3	-4.2	88.0	14.3	19.4
Total Gross	8,359.7	8,436.2	76.5	0.9	8,668.2	232.0	2.8
LESS: SCS / COF	250.5	253.1	2.6	1.0	260.0	6.9	2.7
Individual Refunds	655.0	578.9	-76.1	-11.6	596.2	17.3	3.0
Corporate Refunds	137.3	104.2	-33.1	-24.1	107.4	3.2	3.1
Claims Reserve	0.0	10.0	10.0	0.0	10.0	0.0	0.0
Econ Develop Incentive	20.0	20.4	0.4	2.0	20.4	0.0	0.0
Recycling Tax Credit	24.8	38.8	14.0	56.5	38.8	0.0	0.0
Wood Energy Products Credit	0.0	0.0	0.0	N/A	4.0	4.0	N/A
Amendment 82 Bonds	5.3	5.3	0.0	0.3	5.3	0.0	0.0
Water / Sewer Bonds	14.8	14.8	0.0	0.0	14.8	0.0	0.0
College Savings Bonds	23.3	23.3	0.0	0.0	23.3	0.0	0.0
City / County Tourist	0.9	0.9	0.0	N/A	0.9	0.0	N/A
Educational Excellence	477.4	483.9	6.5	1.4	494.6	10.7	2.2
Educational Adequacy	42.2	42.8	0.6	1.4	43.7	0.9	2.1
Highway Casino Transfer	28.9	31.4	2.5	8.7	33.4	2.0	6.4
Total Deductions	1,680.3	1,607.8	-72.5	-4.3	1,652.8	45.0	2.8
Net Available	6,679.4	6,828.4	149.0	2.2	7,015.4	187.0	2.7
LESS: Surplus	367.9	334.4					
Net Available Distribution	6,311.5	6,494.0	182.5	2.9	7,015.4	521.4	8.0

**Economic Assumptions and the
Official General Revenue Forecast
FY 2026 - 2027**

Millions of Dollars	FY 25 Actual	01/30/26 Estimate	FY 26 Increase	Yr/Yr % CH	01/30/26 Estimate	FY 27 Increase	Yr/Yr % CH
Individual Income Tax	3,594.3	3,706.0	111.7	3.1	3,771.4	65.4	1.8
<u>Individual Refunds</u>	<u>655.0</u>	<u>578.9</u>	<u>-76.1</u>	<u>-11.6</u>	<u>596.2</u>	<u>17.3</u>	<u>3.0</u>
Net Individual Income	2,939.3	3,127.1	187.8	6.4	3,175.2	48.1	1.5
Corporate Income Tax	533.1	476.6	-56.5	-10.6	467.9	-8.7	-1.8
<u>Corporate Refunds</u>	<u>137.3</u>	<u>104.2</u>	<u>-33.1</u>	<u>-24.1</u>	<u>107.4</u>	<u>3.2</u>	<u>3.1</u>
Net Corporate Income	395.8	372.4	-23.4	-5.9	360.5	-11.9	-3.2
Sales and Use Tax	3,527.9	3,605.8	77.9	2.2	3,719.0	113.2	3.1
Net Economic Tax Revenue	6,863.0	7,105.3	242.3	3.5	7,254.7	149.4	2.1
Other Tax Revenue ¹	704.4	647.8	-56.6	-8.0	709.9	62.1	9.6
Gross General Revenues	8,359.7	8,436.2	76.5	0.9	8,668.2	232.0	2.8
LESS: SCS / COF	250.5	253.1	2.6	1.0	260.0	6.9	2.7
Individual Refunds	655.0	578.9	-76.1	-11.6	596.2	17.3	3.0
Corporate Refunds	137.3	104.2	-33.1	-24.1	107.4	3.2	3.1
Claims Reserve	0.0	10.0	10.0	0.0	10.0	0.0	0.0
Econ Develop Incentive	20.0	20.4	0.4	2.0	20.4	0.0	0.0
Recycling Tax Credit	24.8	38.8	14.0	56.5	38.8	0.0	0.0
Wood Energy Products Credit	0.0	0.0	0.0	0.0	4.0	4.0	0.0
Amendment 82 Bonds	5.3	5.3	0.0	0.3	5.3	0.0	0.0
Water / Sewer Bonds	14.8	14.8	0.0	0.0	14.8	0.0	0.0
College Savings Bonds	23.3	23.3	0.0	0.0	23.3	0.0	0.0
City / County Tourist	0.9	0.9	0.0	1.4	0.9	0.0	0.0
Educational Excellence	477.4	483.9	6.5	1.4	494.6	10.7	2.2
Educational Adequacy	42.2	42.8	0.6	1.4	43.7	0.9	2.1
Highway Casino Transfer	28.9	31.4	2.5	8.7	33.4	2.0	6.4
Total Deductions	1,680.3	1,607.8	-72.5	-4.5	1,652.8	45.0	2.7
Net Available	6,679.4	6,828.4	149.0	2.2	7,015.4	187.0	2.7
LESS: Surplus	367.9	334.4					
Net Available Distribution	6,311.5	6,494.0	182.5	2.9	7,015.4	521.4	8.0
ECONOMIC ASSUMPTIONS	FY2025	FY2026			FY2027		
U.S. GDP Nominal (Billion \$)	29,966.2	31,511.1	1,545.0	5.2%	32,996.9	1,485.7	4.7%
U.S. GDP Real (Billions 2017\$ Chain-Weight)	23,596.1	24,094.1	498.0	2.1%	24,603.6	509.5	2.1%
U.S. GDP Deflator (Chain-Wt, 2017=100)	127.0	130.8	3.8	3.0%	134.1	3.3	2.5%
U.S. CPI Price Index (1982-84=100)	317.8	326.8	9.0	2.8%	335.5	8.8	2.7%
OIL - Avg. Dom. Crude to Refinery (\$ per bbl.)	72.8	60.0	-12.8	-17.6%	57.8	-2.2	-3.7%
AR. Net General Revenue (Million \$)	7,567.4	7,753.1	185.7	2.5%	7,964.6	211.5	2.7%
AR. Net GR % of Total Personal Income	4.0%	3.9%	-0.1%	-1.6%	3.9%	-0.1%	-2.4%
AR. Total Personal Income (Million \$)	188,835.2	196,550.7	7,715.5	4.1%	206,810.0	10,259.2	5.2%
AR. Wage & Salary Disbursements (Million \$)	84,152.9	88,295.8	4,142.9	4.9%	92,340.0	4,044.2	4.6%
AR. Personal Transfer Payments (Million \$)	44,234.8	47,631.7	3,396.9	7.7%	50,217.3	2,585.6	5.4%
AR. Per Capita Income (\$)	60,945.6	63,206.5	2,260.9	3.7%	66,335.3	3,128.9	5.0%
AR. GDP Nominal (Million \$)	193,378.9	202,768.4	9,389.5	4.9%	211,129.9	8,361.5	4.1%
AR. GDP Real (Million \$)	149,260.4	151,774.8	2,514.4	1.7%	154,267.5	2,492.7	1.6%
AR. Employment Total Payroll (Thousands)	1,375.4	1,388.9	13.5	1.0%	1,392.5	3.6	0.3%
AR. Employment Private Sector (Thousands)	1,163.1	1,176.3	13.2	1.1%	1,179.1	2.8	0.2%
AR. Employment Manufacturing (Thousands)	163.2	164.7	1.5	0.9%	163.4	-1.4	-0.8%
AR. Retail Sales (Million \$)	54,826.4	57,312.0	2,485.6	4.5%	59,457.6	2,145.7	3.7%

¹ Other Tax Revenue includes the Biennial Insurance Transfers in FY25 and FY27