



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
Alan McVey, Deputy Director

FROM: Economic Analysis & Tax Research

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

DATE: September 2, 2026 Copy: Governor's Office

YEAR-TO-DATE REVENUE SUMMARY

Net Available General Revenues totaled \$1,183.9 million, \$57.8 million or 5.1 percent higher than year ago levels. After two months into the fiscal year, net available revenue is above forecast by \$30.8 million or 2.7 percent.

Gross General Revenues totaled \$1,340.6 million, representing an increase of \$50.7 million or 3.9 percent more than last year. Gross general revenues are above forecast by \$30.9 million or 2.4 percent.

Individual Income Tax collections totaled \$519.6 million, \$3.3 million or 0.6 percent less than FY 2026 collections and \$3.4 million or 0.7 percent above forecast.

Individual Income Tax Refunds totaled \$23.5 million, down \$3.6 million or 13.2 percent compared to last year and \$2.5 million or 9.5 percent less than forecast.

Sales and Use Tax collections totaled \$658.0 million, an increase of \$35.8 million or 5.7 percent above FY 2026 and \$13.8 million or 2.1 percent above forecast.

Corporate Income Tax collections totaled \$32.7 million, an increase of \$2.9 million from year-to-date FY 2026. Corporate income tax is more than forecast by \$2.8 million or 9.2 percent.

Corporate Income Tax Refunds totaled \$7.7 million, an increase of \$3.2 million compared to the same year-to-date period last year.

AUGUST REVENUE SUMMARY

August revenues performed in line with the forecast and were above year-ago collections in most major categories.

Net Available General Revenues totaled \$582.8 million, \$14.1 million or 2.5 percent higher than last year and \$4.5 million or 0.8 percent above forecast.

Gross General Revenues totaled \$667.0 million, \$13.8 million or 2.1 percent greater than last year and \$2.6 million or 0.4 percent above forecast.

Individual Income Tax collections totaled \$268.5 million. Collections increased by \$5.4 million, or 2.1 percent compared to last year. Compared to the forecast, collections were \$1.6 million, or 0.6 percent higher. Individual Withholding Tax revenue increased by \$26.5 million, or 11.8 percent compared to last year, in an extra Friday payday month. Return and Estimated payments were down compared to last year as a result of the disaster executive order issued in April 2025 which shifted some collections from April to August 2025. August 2026 collections level returned to historic norms.

Individual Income Tax Refunds totaled \$12.3 million, \$1.6 million below last year and \$1.0 million less than forecast.

Sales and Use Tax collections totaled \$327.0 million, \$4.1 million, or 1.3 percent greater than last year. Collections were above monthly forecast levels by \$0.9 million or 0.3 percent. Major reporting sectors displayed mixed results compared to year ago with high growth in Utilities and Real Estate Rental and Leasing and moderate growth in Retail Trade and Accommodation and Food Services. Declines occurred in Construction, Wholesale Trade and Professional Services.

Corporate Income Tax collections totaled \$5.0 million, a decrease of \$0.5 million from year ago, and \$0.6 million less than forecast.

Corporate Income Tax Refunds totaled \$4.1 million, an amount that is \$0.2 million lower than year ago levels. Refunds were \$0.4 million under forecast.

Tobacco Tax collections, a smaller component of general revenue in annual terms, totaled \$14.2 million. Collections decreased by \$1.4 million from year earlier levels and were less than forecast by \$0.3 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 August 2026, \$68.3 million was collected and deposited into the fund. After deductions, the net amount is \$66.3 million. The monthly collection is equivalent to a 3.0 percent increase from prior year's collections.

Q: /Daily Report PDF Files/FY2027/02 August
Attachment (2)

August 2026 Year-to-Date General Revenue Report

Economic Analysis and Tax Research, DFA

Forecast Date: 05/20/26

Millions of \$

	Actual Aug FY26	Forecast Aug FY27	Actual Aug FY27	<u>Change from Forecast</u>		<u>Change from Last Year</u>	
				Dollar Difference	Percent Difference	Dollar Difference	Percent Difference
Individual Income	522.9	516.2	519.6	3.4	0.7	-3.3	-0.6
Corporate Income	29.8	29.9	32.7	2.8	9.2	2.9	9.7
Sales & Use	622.2	644.2	658.0	13.8	2.1	35.8	5.7
Alcohol	13.6	13.6	14.8	1.2	8.8	1.2	9.0
Tobacco	30.5	28.3	31.4	3.1	11.1	0.9	3.0
Insurance	30.4	33.7	34.8	1.1	3.3	4.4	14.4
Racing	0.1	0.2	0.1	-0.1	-52.7	0.0	-28.7
Gaming	10.9	11.0	12.0	1.0	9.0	1.1	9.6
Severance	2.0	3.2	2.5	-0.7	-22.1	0.5	22.2
Franchise	1.6	1.6	1.9	0.3	18.9	0.3	21.5
Real Estate Transfer	2.6	2.6	2.6	0.0	0.3	0.0	0.0
Miscellaneous	23.2	25.2	30.2	5.0	19.8	7.0	30.3
Total Gross	1,289.9	1,309.7	1,340.6	30.9	2.4	50.7	3.9
PLUS: Historic Rehab Credit	0.0	14.2	9.8	-4.4	-31.2	9.8	0.0
LESS: (SCSF/COF) ¹	38.7	39.3	40.2	0.9	2.3	1.5	3.9
Individual Income Refunds	27.1	26.0	23.5	-2.5	-9.5	-3.6	-13.2
Corporate Income Refunds	4.6	8.6	7.7	-0.9	-10.0	3.2	69.2
Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Econ Development Incentive	2.8	3.4	0.9	-2.5	-73.9	-1.9	-68.7
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	2.6	2.6	2.6	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	80.6	83.4	83.8	0.4	0.5	3.2	3.9
Educational Adequacy	7.1	7.3	7.4	0.1	1.5	0.3	3.9
Highway Casino Transfer	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Available	1,126.1	1,153.1	1,183.9	30.8	2.7	57.8	5.1

Revenue Forecast Summary for the Month

August Year-to-Date Gross:	\$ 30.9 Million OR 2.4% Above Forecast
August Year-to-Date Net Available:	\$ 30.8 Million OR 2.7% Above Forecast

¹ State Central Services Fund and Constitutional Officers Fund.

August 2026 General Revenue Report

Economic Analysis and Tax Research, DFA

Forecast Date: 05/20/26

Millions of \$

	Actual Aug FY26	Forecast Aug FY27	Actual Aug FY27	<u>Change from Forecast</u>		<u>Change from Last Year</u>	
				Dollar Difference	Percent Difference	Dollar Difference	Percent Difference
Individual Income	263.1	266.9	268.5	1.6	0.6	5.4	2.1
Corporate Income	5.5	5.6	5.0	-0.6	-10.1	-0.5	-9.2
Sales & Use	322.9	326.1	327.0	0.9	0.3	4.1	1.3
Alcohol	6.2	6.2	6.6	0.4	6.6	0.4	6.7
Tobacco	15.6	14.5	14.2	-0.3	-2.1	-1.4	-9.2
Insurance	30.2	33.5	34.3	0.8	2.4	4.1	13.5
Racing	0.1	0.1	0.0	-0.1	-55.6	0.0	-25.0
Gaming	4.5	4.5	5.0	0.5	11.0	0.5	11.7
Severance	0.5	1.3	0.9	-0.4	-27.0	0.5	102.1
Franchise	0.7	0.7	0.9	0.2	25.8	0.2	26.6
Real Estate Transfer	0.3	0.3	0.3	0.0	16.1	0.0	0.0
Miscellaneous	3.5	4.7	4.1	-0.6	-12.7	0.6	17.1
Total Gross	653.1	664.4	667.0	2.6	0.4	13.8	2.1
PLUS: Historic Rehab Credit	0.0	0.0	0.0	0.0	0.0	0.0	0.0
LESS: (SCSF/COF) ¹	19.6	19.9	20.0	0.1	0.5	0.4	2.1
Individual Income Refunds	13.8	13.3	12.3	-1.0	-7.9	-1.6	-11.5
Corporate Income Refunds	4.3	4.5	4.1	-0.4	-8.7	-0.2	-4.2
Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Econ Development Incentive	1.6	1.7	0.9	-0.8	-47.7	-0.7	-42.7
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	0.0	0.0	0.0	0.0	0.0	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	568.7	578.3	582.8	4.5	0.8	14.1	2.5

Revenue Forecast Summary for the Month

August Gross:	\$ 2.6 Million OR 0.4% Above Forecast
August Net Available:	\$ 4.5 Million OR 0.8% Above Forecast

¹ State Central Services Fund and Constitutional Officers Fund.