



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 June 2026 (FY 2026)**

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

FISCAL YEAR 2026 REVENUE SUMMARY

Net available general revenues in Fiscal Year 2026 reached \$7.15 billion, fully funding the Revenue Stabilization Act. Revenues in excess of the general revenue budget provided a surplus of \$655.0 million.

Net Available General Revenues totaled \$7,149.0 million, \$469.6 million or 7.0 percent higher than year ago levels. For the fiscal year, net available revenues are above forecast by \$69.2 million or 1.0 percent.

Gross General Revenues totaled \$8,686.6 million, representing an increase of \$327.0 million or 3.9 percent higher than last year. Gross general revenues are above forecast by \$48.2 million.

Individual Income Tax collections totaled \$3,859.1 million, \$264.8 million or 7.4 percent greater than FY 2025 collections and \$12.2 million or 0.3 percent above forecast.

Individual Income Tax Refunds totaled \$554.5 million, down \$100.5 million or 15.3 percent compared to last year and \$1.4 million or 0.3 percent more than forecast.

Sales and Use Tax collections totaled \$3,666.7 million, an increase of \$138.7 million or 3.9 percent above FY 2025 and \$18.0 million or 0.5 percent over forecast.

Corporate Income Tax collections totaled \$523.6 million, a decrease of \$9.5 million from year-to-date FY 2025 due to the extension of the Net Operating Loss carryovers and phased-in repeal of the throwback rule. Collections were higher than forecast by \$15.8 million or 3.1 percent.

Corporate Income Tax Refunds totaled \$69.8 million, a decrease of \$67.5 million compared to the same year-to-date period last year.

Insurance Revenues, composed primarily of premium tax collections, totaled \$216.7 million, an amount \$65.1 million or 23.1 percent below last year. The year-over-year decline is largely attributed to the biennial transfer of Insurance Department revenues of \$51.7 million to general revenue in FY 2025. FY 2026 collections were \$0.4 million or 0.2 percent less than forecast.

JUNE REVENUE SUMMARY

Net Available General Revenues totaled \$787.3 million, \$12.8 million or 1.7 percent greater than last year as collections grew and income tax refunds decreased. Net available revenues were \$59.1 million or 8.1 percent above forecast.

Gross General Revenues totaled \$925.2 million, \$3.4 million or 0.4 percent higher than last year and \$38.5 million or 4.3 percent above forecast.

Individual Income Tax collections totaled \$339.0 million. Collections increased by \$40.3 million, or 13.5 percent compared to last year. Withholding collections increased \$5.3 million, or 2.2 percent. Payments with returns and extensions rose by \$6.1 million. Total individual income tax collections were \$9.2 million or 2.8 percent higher than forecast.

Individual Income Tax Refunds totaled \$17.1 million, \$3.4 million less than last year and \$0.3 million above forecast. A total of 22,167 refunds were issued in June with an average refund of \$819.97.

Sales and Use Tax collections totaled \$320.5 million, \$13.5 million, or 4.4 percent higher than last year, and above monthly forecast level by \$11.4 million or 3.7 percent. Moderate to strong growth was reported in the major sectors of Retail Trade, Utilities, Construction, Motor Vehicles and Accommodation/Food Services while declines were reported for Manufacturing and Wholesale Trade.

Corporate Income Tax collections totaled \$99.2 million, an increase of \$13.4 million from year ago, and \$14.9 million over forecast.

Corporate Income Tax Refunds totaled \$2.8 million, an amount that is \$12.9 million less than year ago levels. Refunds were \$4.0 million below forecast.

Tobacco Tax collections, a smaller component of general revenue in annual terms, totaled \$16.5 million. Collections were \$0.7 million greater than year earlier levels and were above forecast by \$1.4 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. 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. In June 2026, \$69.2 million was collected and deposited into the fund. After deductions, the net amount is \$67.2 million. The monthly collection is equivalent to a 5.8 percent increase from prior year's collections. Fiscal year 2026 net collections totaled \$777.7 million, compared to \$742.9 million in FY 2025. This represents a 4.7 percent increase from the prior fiscal year net collections.

Q: /Daily Report PDF Files/FY2026/12 June
Attachment (2)

June 2026 Year-to-Date General Revenue Report

Economic Analysis and Tax Research, DFA

Forecast Date: 05/20/26

Millions of \$

	Actual June FY25	Forecast June FY26	Actual June FY26	<u>Change from Forecast</u>		<u>Change from Last Year</u>	
				Dollar	Percent	Dollar	Percent
				Difference	Difference	Difference	Difference
Individual Income	3,594.3	3,846.9	3,859.1	12.2	0.3	264.8	7.4
Corporate Income	533.1	507.8	523.6	15.8	3.1	-9.5	-1.8
Sales & Use	3,527.9	3,648.7	3,666.7	18.0	0.5	138.7	3.9
Alcohol	78.1	76.6	76.6	0.0	-0.1	-1.5	-2.0
Tobacco	182.9	178.8	179.9	1.1	0.6	-3.0	-1.7
Insurance	281.8	217.1	216.7	-0.4	-0.2	-65.1	-23.1
Racing	1.4	1.3	1.3	0.0	0.5	0.0	-3.4
Gaming	62.0	64.6	64.4	-0.2	-0.4	2.3	3.8
Severance	10.6	9.6	10.6	1.0	10.2	0.0	-0.1
Franchise	8.0	8.0	8.0	0.0	0.0	0.0	0.0
Real Estate Transfer	2.6	2.6	2.6	0.0	0.3	0.0	0.0
Miscellaneous	77.0	76.4	77.2	0.8	1.1	0.3	0.4
Total Gross	8,359.7	8,638.4	8,686.6	48.2	0.6	327.0	3.9
LESS: (SCSF/COF) ¹	250.5	259.2	259.9	0.7	0.3	9.4	3.7
Individual Income Refunds	655.0	553.1	554.5	1.4	0.3	-100.5	-15.3
Corporate Income Refunds	137.3	74.7	69.8	-4.9	-6.5	-67.5	-49.1
Claims	0.0	10.0	0.0	-10.0	-100.0	0.0	0.0
Econ Development Incentive	20.0	20.4	21.4	1.0	4.7	1.4	6.8
Amendment 82 Bonds	5.3	5.3	5.3	0.0	-0.3	0.0	0.0
Recycling Tax Credit	24.8	38.8	30.0	-8.8	-22.7	5.2	21.0
Wood Energy Products Credit	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Water / Sewer Bonds	14.8	14.8	14.8	0.0	0.0	0.0	0.0
College Savings Bonds	23.3	23.3	23.3	0.0	-0.1	0.0	0.0
City & County Tourist	0.9	0.9	0.9	0.0	-1.3	0.0	0.0
Educational Excellence	477.4	483.9	483.9	0.0	0.0	6.5	1.4
Educational Adequacy	42.2	42.8	42.8	0.0	-0.1	0.6	1.4
Highway Casino Transfer	28.9	31.4	31.2	-0.2	-0.8	2.3	7.9
Net Available	6,679.4	7,079.8	7,149.0	69.2	1.0	469.6	7.0
LESS: Surplus	367.9	585.8	655.0	69.2	11.8	287.1	78.0
Net AVAILABLE Distribution	6,311.5	6,494.0	6,494.0	0.0	0.0	182.5	2.9

Revenue Forecast Summary for the Month

June Year-to-Date Gross: \$ 48.2 Million OR 0.6% Above Forecast

June Year-to-Date Net Available: \$ 69.2 Million OR 1.0% Above Forecast

¹ State Central Services Fund and Constitutional Officers Fund.

June 2026 General Revenue Report
Economic Analysis and Tax Research, DFA

Forecast Date: 05/20/26

Millions of \$

	Actual June FY25	Forecast June FY26	Actual June FY26	<u>Change from Forecast</u>		<u>Change from Last Year</u>	
				Dollar	Percent	Dollar	Percent
				Difference	Difference	Difference	Difference
Individual Income	298.7	329.8	339.0	9.2	2.8	40.3	13.5
Corporate Income	85.8	84.3	99.2	14.9	17.7	13.4	15.6
Sales & Use	307.0	309.1	320.5	11.4	3.7	13.5	4.4
Alcohol	8.7	8.5	8.7	0.2	2.0	0.0	-0.2
Tobacco	15.8	15.1	16.5	1.4	9.4	0.7	4.4
Insurance	183.9	118.6	118.5	-0.1	-0.1	-65.4	-35.6
Racing	0.1	0.1	0.0	-0.1	-52.6	0.0	-6.7
Gaming	7.3	7.3	6.9	-0.4	-5.1	-0.3	-4.8
Severance	0.8	1.2	2.2	1.0	86.1	1.4	162.9
Franchise	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Real Estate Transfer	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	13.8	12.7	13.7	1.0	7.6	-0.1	-0.9
Total Gross	921.8	886.7	925.2	38.5	4.3	3.4	0.4
LESS: (SCSF/COF) ¹	27.7	26.7	27.0	0.3	1.2	-0.6	-2.3
Individual Income Refunds	20.5	16.8	17.1	0.3	1.8	-3.4	-16.5
Corporate Income Refunds	15.6	6.8	2.8	-4.0	-58.9	-12.9	-82.2
Claims	0.0	10.0	0.0	-10.0	-100.0	0.0	0.0
Econ Development Incentive	2.7	2.7	4.7	2.0	72.6	1.9	70.0
Amendment 82 Bonds	4.5	4.5	4.5	0.0	0.7	0.1	1.4
Recycling Tax Credit	24.8	38.8	30.0	-8.8	-22.7	5.2	21.0
Wood Energy Credit	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Water / Sewer Bonds	1.2	1.2	1.2	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	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Educational Excellence	39.8	40.3	40.3	0.0	0.1	0.5	1.4
Educational Adequacy	3.5	3.6	3.6	0.0	-1.0	0.0	1.4
Highway Casino Transfer	7.1	7.1	6.7	-0.4	-5.4	-0.3	-4.8
Net Available	774.5	728.2	787.3	59.1	8.1	12.8	1.7

Revenue Forecast Summary for the Month

June Gross: \$ 38.5 Million OR 4.3% Above Forecast
June Net Available: \$ 59.1 Million OR 8.1% Above Forecast

¹ State Central Services Fund and Constitutional Officers Fund.