



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 September 2026 (FY 2027)**

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

YEAR-TO-DATE REVENUE SUMMARY

Net Available General Revenues totaled \$1,909.7 million, \$147.3 million or 8.4 percent higher than year ago levels. After three months into the fiscal year, net available revenue is above forecast by \$104.5 million or 5.8 percent.

Gross General Revenues totaled \$2,163.3 million, representing an increase of \$146.7 million or 7.3 percent more than last year. Gross general revenues are above forecast by \$108.1 million or 5.3 percent.

Individual Income Tax collections totaled \$856.4 million, \$1.7 million or 0.2 percent more than FY 2026 collections and \$12.0 million or 1.4 percent above forecast.

Individual Income Tax Refunds totaled \$44.5 million, down \$3.3 million or 7.0 percent compared to last year and \$1.4 million or 3.0 percent less than forecast.

Sales and Use Tax collections totaled \$979.8 million, an increase of \$70.9 million or 7.8 percent above FY 2026 and \$27.1 million or 2.8 percent above forecast.

Corporate Income Tax collections totaled \$159.1 million, an increase of \$52.9 million from year-to-date FY 2026. Corporate income tax is more than forecast by \$52.8 million or 49.6 percent.

Corporate Income Tax Refunds totaled \$11.1 million, an increase of \$3.9 million compared to the same year-to-date period last year.

SEPTEMBER REVENUE SUMMARY

September revenues outpaced forecast and year-ago collections in most major categories.

Net Available General Revenues totaled \$725.8 million, \$89.5 million or 14.1 percent higher than last year and \$73.7 million or 11.3 percent above forecast.

Gross General Revenues totaled \$822.7 million, \$96.0 million or 13.2 percent greater than last year and \$77.2 million or 10.3 percent above forecast.

Individual Income Tax collections totaled \$336.8 million. Collections increased by \$5.1 million, or 1.5 percent, compared to last year. Compared to the forecast, collections were \$8.6 million or 2.6 percent higher. Individual Withholding Tax revenue decreased by \$21.5 million, or 9.1 percent, reflecting the income tax cut enacted this year retroactive to January 1, 2026, and one less Friday payday compared to last year. Strong growth was recorded in Estimated Payments.

Individual Income Tax Refunds totaled \$21.0 million, \$0.2 million above last year and \$1.1 million more than forecast.

Sales and Use Tax collections totaled \$321.8 million, \$35.1 million, or 12.3 percent greater than last year. Collections were above monthly forecast by \$13.3 million or 4.3 percent. Major reporting sectors were mostly positive compared to year ago with strong growth in Utilities and Wholesale Trade and moderate growth in Retail Trade and Accommodation and Food Services. Manufacturing accounted for \$24.4 million of the overall gain, reflecting a large economic development investment incentive refund made last September. Declines occurred in Information and Real Estate and Rental/Leasing.

Corporate Income Tax collections totaled \$126.4 million, an increase of \$50.0 million from year ago, and \$50.0 million above forecast. Strong growth was recorded in Estimated Payments and accounted for nearly all corporate income tax growth.

Corporate Income Tax Refunds totaled \$3.3 million, an amount that is \$0.7 million higher than year ago levels. Refunds were \$0.6 million above forecast.

Tobacco Tax collections, a smaller component of general revenue in annual terms, totaled \$14.7 million. Collections decreased by \$0.4 million from year-earlier levels but were above forecast by \$0.7 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 September 2026, \$66.8 million was collected and deposited into the fund. After deductions, the net amount is \$64.9 million. The monthly collection is equivalent to a 4.9 percent increase from prior year's collections.

Q: /Daily Report PDF Files/FY2027/03 September
Attachment (2)

September 2026 Year-to-Date General Revenue Report

Economic Analysis and Tax Research, DFA

Forecast Date: 05/20/26

Millions of \$

	Actual Sept FY26	Forecast Sept FY27	Actual Sept FY27	<u>Change from Forecast</u>		<u>Change from Last Year</u>	
				Dollar Difference	Percent Difference	Dollar Difference	Percent Difference
Individual Income	854.6	844.4	856.4	12.0	1.4	1.7	0.2
Corporate Income	106.2	106.3	159.1	52.8	49.6	52.9	49.8
Sales & Use	908.9	952.7	979.8	27.1	2.8	70.9	7.8
Alcohol	19.6	19.7	21.1	1.4	6.9	1.4	7.4
Tobacco	45.7	42.3	46.2	3.9	9.1	0.5	1.1
Insurance	31.3	34.6	38.6	4.0	11.5	7.3	23.4
Racing	0.2	0.3	0.2	-0.1	-29.9	0.0	-6.1
Gaming	15.4	15.5	16.7	1.2	7.7	1.3	8.1
Severance	2.7	4.3	3.3	-1.0	-23.5	0.6	20.5
Franchise	2.9	2.9	2.9	0.0	1.5	0.1	2.5
Real Estate Transfer	2.6	2.6	2.6	0.0	0.3	0.0	0.0
Miscellaneous	26.5	29.6	36.5	6.9	23.3	10.0	37.9
Total Gross	2,016.6	2,055.2	2,163.3	108.1	5.3	146.7	7.3
PLUS: Historic Rehab Credit	0.0	14.2	9.8	-4.4	-31.2	9.8	0.0
LESS: (SCSF/COF) ¹	60.5	61.7	64.9	3.2	5.2	4.4	7.3
Individual Income Refunds	47.8	45.9	44.5	-1.4	-3.0	-3.3	-7.0
Corporate Income Refunds	7.2	11.3	11.1	-0.2	-1.9	3.9	53.5
Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Econ Development Incentive	2.8	5.1	1.8	-3.3	-63.9	-1.0	-35.2
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	3.9	3.9	3.9	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	121.0	125.1	125.7	0.6	0.5	4.8	3.9
Educational Adequacy	10.7	11.0	11.1	0.1	1.0	0.4	3.9
Highway Casino Transfer	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Available	1,762.4	1,805.2	1,909.7	104.5	5.8	147.3	8.4

Revenue Forecast Summary for the Month

September Year-to-Date Gross: \$ 108.1 Million OR 5.3% Above Forecast

September Year-to-Date Net Available: \$ 104.5 Million OR 5.8% Above Forecast

¹ State Central Services Fund and Constitutional Officers Fund.

September 2026 General Revenue Report

Economic Analysis and Tax Research, DFA

Forecast Date: 05/20/26

Millions of \$

	Actual Sept FY26	Forecast Sept FY27	Actual Sept FY27	<u>Change from Forecast</u>		<u>Change from Last Year</u>	
				Dollar Difference	Percent Difference	Dollar Difference	Percent Difference
Individual Income	331.7	328.2	336.8	8.6	2.6	5.1	1.5
Corporate Income	76.4	76.4	126.4	50.0	65.4	50.0	65.5
Sales & Use	286.7	308.5	321.8	13.3	4.3	35.1	12.3
Alcohol	6.1	6.1	6.3	0.2	2.9	0.2	3.7
Tobacco	15.1	14.0	14.7	0.7	5.1	-0.4	-2.7
Insurance	0.8	0.9	3.7	2.8	316.6	2.9	349.3
Racing	0.1	0.1	0.1	0.0	15.7	0.0	26.8
Gaming	4.5	4.5	4.7	0.2	4.5	0.2	4.5
Severance	0.7	1.1	0.8	-0.3	-27.3	0.1	15.7
Franchise	1.3	1.3	1.0	-0.3	-19.8	-0.3	-20.3
Real Estate Transfer	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	3.3	4.4	6.3	1.9	43.5	3.0	91.3
Total Gross	726.6	745.5	822.7	77.2	10.3	96.0	13.2
PLUS: Historic Rehab Credit	0.0	0.0	0.0	0.0	0.0	0.0	0.0
LESS: (SCSF/COF) ¹	21.8	22.4	24.7	2.3	10.2	2.9	13.2
Individual Income Refunds	20.7	19.9	21.0	1.1	5.5	0.2	1.2
Corporate Income Refunds	2.6	2.7	3.3	0.6	23.8	0.7	26.5
Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Econ Development Incentive	0.0	1.7	0.9	-0.8	-44.1	0.9	0.0
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	636.3	652.1	725.8	73.7	11.3	89.5	14.1

Revenue Forecast Summary for the Month

September Gross:	\$ 77.2 Million OR 10.3% Above Forecast
September Net Available:	\$ 73.7 Million OR 11.3% Above Forecast

¹ State Central Services Fund and Constitutional Officers Fund.