STATE OF ARKANSAS
Department of Finance and Administration

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MEMORANDUM

TO: Jim Hudson, Secretary
Alan McVey, Deputy Director

FROM: Economic Analysis & Tax Research

SUBJECT: **General Revenue Report for July (FY 2027)**

DATE: August 4, 2026 Copy: Governor's Office

JULY REVENUE SUMMARY

Net Available General Revenues totaled $601.1 million, $43.7 million or 7.8 percent higher than last year and $26.3 million or 4.6 percent above forecast.

Net Available revenue results were above forecast in the largest categories of Corporate Income, Individual Income and Sales Tax.

Among smaller revenue sources, Alcohol was higher than forecast by $0.8 million. Tobacco was above forecast by $3.5 million. Insurance was over forecast by $0.3 million.

In accordance with Act 855 of 2019, a transfer of $9.8 million was made to General Revenue from the Arkansas Major Historic Rehabilitation Trust Fund. This transfer was to offset the rehabilitation tax credits claimed against insurance premium taxes in FY 2026 and reflected in that year's collections.

Gross General Revenues totaled $673.6 million, an increase of $36.8 million or 5.8 percent over last year and $28.3 million or 4.4 percent above forecast.

Individual Income Tax collections totaled $251.1 million, decreasing by $8.8 million, or 3.4 percent compared to last year. The decrease from last year results from the disaster executive order issued in April 2025 shifted some collections from April to July 2025. July 2026 results do not include this revenue shift and are in line with historical norms. Compared to the forecast, collections were $1.8 million, or 0.7 percent above forecast.

Individual Income Tax Refunds totaled $11.3 million, $2.0 million below last year and $1.4 million lower than forecast.

Corporate Income Tax collections totaled $27.6 million, an increase of $3.4 million from year ago and $3.3 million greater than forecast.

Corporate Income Tax Refunds totaled $3.6 million, an amount that is $3.3 million higher than year ago levels and $0.5 million below forecast.

Sales and Use Tax collections totaled $331.0 million, $31.7 million or 10.6 percent higher than last year. Strong growth was recorded in most major reporting sectors. Utilities rose 19.9%, likely benefiting from higher temperatures in late spring. Wholesale and Retail Trade were up $4.6 million and $7 million, respectively. Accommodation and Food Services had modest growth at 0.8%. Overall, collections were above monthly forecast by $12.9 million or 4.1 percent.

Tobacco Tax collections, a smaller component of general revenue in annual terms, totaled $17.3 million. Collections increased by $2.3 million from year earlier levels and were higher than forecast by $3.5 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 July 2026, $67.5 million was collected and deposited to the fund. After deductions, the net amount totaled $65.6 million. The monthly collection is equivalent to a 7.2 percent increase from last year.

Q: /Daily Report PDF Files/FY2027/01 July
Attachment (1)

July 2026 General Revenue Report

Economic Analysis and Tax Research, DFA

Forecast Date: 05/20/26

Millions of $

	Actual July FY26	Forecast July FY27	Actual July FY27	Change from Forecast: Dollar Difference	Change from Forecast: Percent Difference	Change from Last Year: Dollar Difference	Change from Last Year: Percent Difference
Individual Income	259.9	249.3	251.1	1.8	0.7	-8.8	-3.4
Corporate Income	24.2	24.3	27.6	3.3	13.7	3.4	14.0
Sales & Use	299.3	318.1	331.0	12.9	4.1	31.7	10.6
Alcohol	7.4	7.4	8.2	0.8	10.6	0.8	10.9
Tobacco	14.9	13.8	17.3	3.5	25.0	2.3	15.7
Insurance	0.2	0.2	0.5	0.3	156.4	0.3	148.1
Racing	0.1	0.1	0.1	0.0	-49.8	0.0	-31.7
Gaming	6.5	6.5	7.0	0.5	7.6	0.5	7.9
Severance	1.6	1.9	1.5	-0.4	-18.8	0.0	-1.7
Franchise	0.9	0.9	1.0	0.1	13.5	0.2	17.3
Real Estate Transfer	2.3	2.3	2.3	0.0	-1.8	0.0	0.0
Miscellaneous	19.7	20.5	26.1	5.6	27.3	6.4	32.6
Total Gross	636.8	645.3	673.6	28.3	4.4	36.8	5.8
PLUS: Historic Rehab Credit	0.0	14.2	9.8	-4.4	-31.2	9.8	0.0
LESS: (SCSF/COF) [1]	19.1	19.4	20.2	0.8	4.2	1.1	5.8
Individual Income Refunds	13.3	12.7	11.3	-1.4	-11.3	-2.0	-15.0
Corporate Income Refunds	0.3	4.1	3.6	-0.5	-11.3	3.3	1,165.4
Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Econ Development Incentive	1.3	1.7	0.0	-1.7	-100.0	-1.3	-100.0
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	0.2	0.2	0.2	0.0	11.0	0.0	0.0
Educational Excellence	40.3	41.7	41.9	0.2	0.5	1.6	3.9
Educational Adequacy	3.6	3.6	3.7	0.1	2.9	0.1	3.9
Highway Casino Transfer	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Available	557.5	574.8	601.1	26.3	4.6	43.7	7.8

Revenue Forecast Summary for the Month

July Gross: $ 28.3 Million OR 4.4% Above Forecast

July Net Available: $ 26.3 Million OR 4.6% Above Forecast

[1] State Central Services Fund and Constitutional Officers Fund.