



**State of Arkansas
Department of Finance and Administration
Fiscal Impact Statement**

Bill: SB256

Bill Subtitle: TO AMEND THE ARKANSAS CORPORATE FRANCHISE TAX ACT OF 1979; AND TO REDUCE THE MINIMUM FRANCHISE TAX FOR CERTAIN CORPORATIONS.

Sponsors:

Sen. Dotson

Basic Change:

SB256 reduces the minimum amount of franchise tax due by a corporation from \$150 to \$100 annually.

A corporation is required to file an annual franchise tax report and remit an annual franchise tax to the Secretary of State. The minimum franchise tax is currently set at \$150. SB256 reduces the minimum amount of annual franchise tax from \$150 to \$100.

SB256 is effective for tax years beginning on or after January 1, 2026.

Fiscal Impact:

FY2026 - \$12M reduction to the Educational Adequacy Fund

[Fiscal impact estimated from franchise tax filing data received by the Secretary of State.]

Taxpayer Impact:

A corporation subject to the Arkansas franchise tax that currently pay the minimum tax of \$150 will see a reduction of \$50 in the corporation's annual tax liability.

Resources Required:

No resources required for the Department of Finance and Administration (DFA).

Time Required:

None.

Procedural Changes:

No procedural changes required for DFA.

Other Comments:

None.

Legal Analysis:

None.