



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

Bill: Amendment JAP087 to HB1051

**Bill Subtitle: AN ACT FOR THE DEPARTMENT OF FINANCE & ADMINISTRATION -
REGULATORY DIVISION APPROPRIATION FOR THE 2026-2027 FISCAL YEAR.**

Sponsors:

Sen. Hester

Basic Change:

Amendment JAP087 to HB1051 adds special language to regulate a casino's use of promotional coupons or promotional electronic credits in calculating their net casino gaming receipts tax ("gaming tax"). An Arkansas casino is subject to the same forms of taxation (income, property, sales, etc.) as any for-profit business except that gross receipts tax does not apply to casino gaming receipts. Instead, an Arkansas casino pays the gaming tax on its net casino gaming receipts.

"Net casino gaming receipts" are constitutionally defined as "gross receipts from casino gaming less amounts paid out or reserved as winnings to casino patrons." Ark. Const. Amend. 100, section 2. The Racing Commission promulgated a rule to address promotional wagers in the definition of net casino gaming receipts:

"Net casino gaming receipts" is defined as gross receipts from casino gaming less amounts paid out or reserved as winnings to casino patrons. However, gross receipts from casino gaming shall not include promotional coupons or promotional electronic credits provided by a licensee to a patron at no cost to the patron, which are used by the patron to make a wager. 23 CAR § 358-601.

Under the rule, the value of promotional coupons or promotional electronic credits used by a patron to make a wager are excluded from net casino gaming receipts regardless of the total value of promotional coupons or promotional electronic credits used during the tax period. The law does not allow a carryforward of negative net casino gaming receipts.

Amendment JAP087 to HB1051 regulates the use of promotional coupons or promotional electronic credits by providing that promotional coupons or promotional electronic credits that exceed 5% of net casino gaming receipts shall be disregarded in calculating the gaming tax.

The special language is effective from July 1, 2026, to June 30, 2027.

Fiscal Impact:

FY2027 – Undetermined Gain to Net Casino Gaming Receipts Tax

FY2028 – None

Taxpayer Impact:

Promotional coupons or promotional electronic credits that exceed 5% of net casino gaming receipts shall be disregarded in calculating the gaming tax.



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Resources Required:

Casino licensees will be notified of the requirements.

Time Required:

Adequate time is provided for implementation.

Procedural Changes:

None.

Other Comments:

None.

Legal Analysis:

None.