



# This Week in State Tax (TWIST)

May 18, 2026



## Multistate: Arkansas and Hawaii enact tax rate changes – in opposite directions

A pair of bills signed into law in Arkansas reduce personal and corporate income tax rates. For individuals, for years beginning on or after January 1, 2026, the bill creates a revised graduated rate structure for taxable income of \$94,700 or less, with the rates ranging from 0 to 3.7 percent. For individuals with more than \$94,700 in taxable income a separate two-tier rate table applies. For these taxpayers, all taxable income of \$4,700 or more will be taxed at 3.7 percent, and income below that at 2 percent. For corporations, the bill also revises the graduated rate structure and reduces the top corporate tax rate from 4.3 percent to 4.1 percent; it is effective for years beginning on or after January 1, 2027. Contact [Asad Markatia](#) with questions about [H.B. 1001](#) and [S.B. 1](#).

A Hawaii bill currently before Governor Green would establish a new personal income tax bracket for household taxable income exceeding \$1 million. For tax years beginning after December 31, 2026, such income would be taxed at a rate of 13 percent (compared to the current highest personal income tax rate of 11 percent.) Contact [Julie Quick](#) with questions about [S.B. 3125](#).

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