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**Department of Finance  
and Administration**

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## **MEMORANDUM**

TO: Jim Hudson, Secretary  
Robert Brech, Deputy Director

FROM: Economic Analysis & Tax Research

SUBJECT: **General Revenue Report for January (FY 2024)**

DATE: February 2, 2024 Copy: Governor's Office

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### **YEAR-TO-DATE REVENUE SUMMARY**

**Net Available General Revenues** totaled \$4,096.6 million, \$243.9 million or 5.6 percent below year ago levels. After seven months into the fiscal year, net available revenue is above forecast by \$231.2 million or 6.0 percent.

**Gross General Revenues** totaled \$4,860.7 million, representing a decrease of \$91.5 million or 1.8 percent below last year. Gross general revenues are above forecast by \$287.4 million or 6.3 percent.

**Individual Income Tax** collections totaled \$2,110.2 million, \$99.9 million or 4.5 percent below FY 2023 collections and \$113.0 million or 5.7 percent above forecast.

**Individual Income Tax Refunds** totaled \$232.5 million, up \$108.3 million or 87.2 percent compared to last year and \$34.5 million or 17.3 percent above forecast.

**Sales and Use Tax** collections totaled \$2,045.6 million, an increase of \$60.7 million or 3.1 percent above FY 2023 and \$50.9 million or 2.5 percent above forecast.

**Corporate Income Tax** collections totaled \$392.2 million, a decrease of \$51.4 million from year-to-date FY 2023. Corporate income is above forecast by \$125.1 million or 46.9 percent.

**Corporate Income Tax Refunds** totaled \$64.7 million, an increase of \$27.9 million compared to the same year-to-date period last year.

## JANUARY REVENUE SUMMARY

**Net Available General Revenues** totaled \$667.3 million, \$61.8 million or 8.5 percent below last year and \$14.8 million or 2.3 percent above forecast.

Net Available revenue results were above forecast in Corporate Income Tax and Sales Tax collection categories. Individual Income Tax collections were slightly below forecast. Corporate Income Tax collections were above forecast primarily due to higher Estimated Payments. Sales Tax collections were above forecast and year ago levels with broad-based gains. Income Tax refund claims were above forecast in Individual claims and Corporate claims.

Among smaller revenue sources, Severance was above forecast by \$0.3 million and above year ago collections. Results in Gaming revenues were above forecast at \$5.0 million.

**Gross General Revenues** totaled \$767.7 million, a decrease of \$39.3 million or 4.9 percent below last year but \$36.7 million or 5.0 percent above forecast. Gross revenue from collections was below year ago primarily due to lower Individual Income Tax collections.

**Individual Income Tax** collections totaled \$379.8 million. Collections decreased by \$61.9 million, or 14.0 percent compared to last year. Compared to the forecast, collections were \$2.5 million, or 0.7 percent below forecast. Individual Withholding Tax revenue increased 1.8 percent compared to last year, lowered in part from Withholding Tax rate reductions.

**Individual Income Tax Refunds** totaled \$7.1 million, \$2.5 million above last year and \$2.5 million above forecast. Refund claims above forecast has a negative effect on net revenue results.

**Sales and Use Tax** collections totaled \$302.3 million, an increase of \$8.2 million or 2.8 percent above last year. Collections were above monthly forecast levels by \$5.2 million or 1.7 percent. Major reporting sectors of Sales Tax displayed mostly higher growth over the prior year, reflecting continuing economic expansion in many sectors. Motor vehicle sales tax collections were down 1.2 percent from year ago.

**Corporate Income Tax** collections totaled \$54.3 million, an increase of \$17.6 million from year ago, and \$36.1 million above forecast.

**Corporate Income Tax Refunds** totaled \$25.6 million. This amount is \$20.3 million above year ago levels. Refunds were also \$19.9 million above forecast.

**Tobacco Tax** collections, a smaller component of general revenue in annual terms, totaled \$14.6 million. Collections decreased by \$1.9 million from year earlier levels and were below forecast by \$1.4 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 January 2024, \$63.8 million was collected and deposited to the fund. After deductions, the net amount is \$61.9 million. The monthly collection is equivalent to a 4.4 percent increase from prior year collections.

Q: /Daily Report PDF Files/FY2024/07 January  
Attachment (2)

# January 2024 Year-to-Date General Revenue Report

## Economic Analysis and Tax Research, DFA

Forecast Date: 05/17/23

Millions of \$

	Actual Jan FY23	Forecast Jan FY24	Actual Jan FY24	<u>Change from Forecast</u>		<u>Change from Last Year</u>	
				Dollar Difference	Percent Difference	Dollar Difference	Percent Difference
Individual Income	2,210.1	1,997.2	2,110.2	113.0	5.7	-99.9	-4.5
Corporate Income	443.7	267.1	392.2	125.1	46.9	-51.4	-11.6
Sales & Use	1,984.9	1,994.7	2,045.6	50.9	2.5	60.7	3.1
Alcohol	43.3	45.6	44.1	-1.5	-3.2	0.9	2.0
Tobacco	120.9	116.5	115.6	-0.9	-0.7	-5.3	-4.4
Insurance	53.6	57.5	56.9	-0.6	-1.1	3.3	6.2
Racing	0.8	0.9	0.7	-0.2	-26.2	-0.2	-19.0
Gaming	27.4	29.3	30.8	1.5	5.1	3.4	12.3
Severance	8.5	7.4	7.6	0.2	2.2	-0.9	-10.5
Franchise	7.7	7.6	7.7	0.1	1.6	0.0	0.6
Real Estate Transfer	2.6	2.6	2.6	0.0	0.3	0.0	0.0
Miscellaneous	48.9	46.9	46.6	-0.3	-0.6	-2.2	-4.5
<b>Total Gross</b>	<b>4,952.2</b>	<b>4,573.3</b>	<b>4,860.7</b>	<b>287.4</b>	<b>6.3</b>	<b>-91.5</b>	<b>-1.8</b>
LESS: (SCSF/COF) <sup>1</sup>	153.5	141.9	150.7	8.8	6.2	-2.8	-1.8
Individual Income Refunds	124.2	198.0	232.5	34.5	17.4	108.3	87.2
Corporate Income Refunds	36.8	47.4	64.7	17.3	36.5	27.9	75.7
Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Econ Development Incentive	9.8	13.7	6.3	-7.4	-54.2	-3.5	-36.1
Amendment 82 Bonds	0.9	0.9	0.9	0.0	-4.2	-0.1	-6.7
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	8.8	8.8	8.8	0.0	0.0	0.0	0.0
College Savings Bonds	2.5	2.2	2.3	0.1	2.4	-0.3	-11.1
City & County Tourist	0.7	0.6	0.7	0.1	11.0	0.0	0.0
Educational Excellence	252.1	270.6	273.2	2.6	1.0	21.1	8.4
Educational Adequacy	22.3	23.8	24.2	0.4	1.5	1.9	8.4
Highway Casino Transfer	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Deductions</b>	<b>611.7</b>	<b>707.9</b>	<b>764.1</b>	<b>56.2</b>	<b>7.9</b>	<b>152.4</b>	<b>24.9</b>
<b>Net Available</b>	<b>4,340.5</b>	<b>3,865.4</b>	<b>4,096.6</b>	<b>231.2</b>	<b>6.0</b>	<b>-243.9</b>	<b>-5.6</b>

### Revenue Forecast Summary for the Month

January Year-to-Date Gross: \$ 287.4 Million OR 6.3% Above Forecast  
January Year-to-Date Net Available: \$ 231.2 Million OR 6.0% Above Forecast

<sup>1</sup> State Central Services Fund and Constitutional Officers Fund.

# January 2024 General Revenue Report

## Economic Analysis and Tax Research, DFA

Forecast Date: 05/17/23

Millions of \$

	Actual Jan FY23	Forecast Jan FY24	Actual Jan FY24	<u>Change from Forecast</u>		<u>Change from Last Year</u>	
				Dollar	Percent	Dollar	Percent
				Difference	Difference	Difference	Difference
Individual Income	441.7	382.3	379.8	-2.5	-0.7	-61.9	-14.0
Corporate Income	36.7	18.2	54.3	36.1	198.5	17.6	48.0
Sales & Use	294.0	297.1	302.3	5.2	1.7	8.2	2.8
Alcohol	6.2	6.5	6.4	-0.1	-1.0	0.2	3.8
Tobacco	16.6	16.0	14.6	-1.4	-8.5	-1.9	-11.7
Insurance	0.6	0.6	0.6	0.0	3.5	0.0	6.6
Racing	0.2	0.2	0.1	-0.1	-40.0	-0.1	-43.3
Gaming	4.2	4.6	5.0	0.4	8.2	0.8	18.9
Severance	0.8	0.8	1.1	0.3	33.6	0.3	33.1
Franchise	1.7	1.7	1.2	-0.5	-27.1	-0.5	-27.2
Real Estate Transfer	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	4.3	3.0	2.2	-0.8	-25.3	-2.0	-47.4
<b>Total Gross</b>	<b>807.0</b>	<b>731.0</b>	<b>767.7</b>	<b>36.7</b>	<b>5.0</b>	<b>-39.3</b>	<b>-4.9</b>
LESS: (SCSF/COF) <sup>1</sup>	25.0	22.7	23.8	1.1	4.8	-1.2	-4.9
Individual Income Refunds	4.6	4.6	7.1	2.5	54.6	2.5	53.3
Corporate Income Refunds	5.3	5.7	25.6	19.9	349.2	20.3	385.5
Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Econ Development Incentive	2.3	2.0	0.0	-2.0	-100.0	-2.3	-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 Products Credit	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Water / Sewer Bonds	1.2	1.2	1.2	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	36.0	38.7	39.0	0.3	0.9	3.0	8.4
Educational Adequacy	3.2	3.4	3.5	0.1	1.5	0.3	8.4
Highway Casino Transfer	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Deductions</b>	<b>77.9</b>	<b>78.5</b>	<b>100.4</b>	<b>21.9</b>	<b>27.9</b>	<b>22.5</b>	<b>28.9</b>
<b>Net Available</b>	<b>729.1</b>	<b>652.5</b>	<b>667.3</b>	<b>14.8</b>	<b>2.3</b>	<b>-61.8</b>	<b>-8.5</b>

### Revenue Forecast Summary for the Month

January Gross: \$ 36.7 Million OR 5.0% Above Forecast  
January Net Available: \$ 14.8 Million OR 2.3% Above Forecast

<sup>1</sup> State Central Services Fund and Constitutional Officers Fund.