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**Department of Finance  
 and Administration**

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**MEMORANDUM**

TO: Larry Walther, Secretary  
 Paul Louthian, Deputy Director

FROM: John Shelnett, Economic Analysis & Tax Research <sup>JS</sup>

SUBJECT: **General Revenue Report for October (FY 2021)**

DATE: November 3, 2020 Copy: Governor's Office  
 Management Services

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**YEAR-TO-DATE REVENUE SUMMARY**

**Year-to-date Net Available General Revenues:** Year-to-date net available general revenues total \$2,229.4 million, \$242.6 million or 12.2 percent above year ago levels. After four months into the fiscal year, net available revenue is above forecast by \$231.8 million or 11.6 percent. The results include net collection increases tied to the income tax due date shift to July from April in the prior fiscal year.

**Year-to-date Gross General Revenues:** Year-to-date gross collections total \$2,558.7 million, representing an increase of \$310.7 million or 13.8 percent above last year. Gross general revenues are above forecast by \$274.4 million or 12.0 percent.

**Year-to-date Individual Income Taxes:** Year-to-date individual income tax collections total \$1,269.4 million, \$196.2 million or 18.3 percent above FY 2020 collections and \$122.5 million or 10.7 percent above forecast.

**Year-to-date individual income tax refunds** total \$101.3 million, up \$47.8 million or 89.2 percent compared to last year and \$31.8 million or 45.7 percent above forecast. Amounts above forecast in refund categories reduce net available revenue results.

**Year-to-date Sales and Use Tax Collections:** On a year-to-date basis, sales and use taxes total \$943.1 million, an increase of \$91.5 million or 10.7 percent from FY 2020 and \$97.2 million or 11.5 percent above forecast.

**Year-to-date Corporate Income Taxes:** Year-to-date corporate revenues total \$164.7 million, an increase of \$11.6 million from year-to-date FY 2020. Corporate income is above forecast by \$30.7 million or 22.9 percent.

**Year-to-date corporate income tax refunds** total \$13.2 million, an increase of \$6.9 million compared to the same year-to-date period last year.

## OCTOBER REVENUE SUMMARY

**October Net Available General Revenues** total \$486.2 million, \$15.3 million or 3.2 percent above last year and \$73.1 million or 17.7 percent above forecast.

All major collection categories of general revenues were above forecast in October. Individual Income Tax was above forecast by \$33 million, with both Payroll Withholding Tax and Return Payments running ahead of projections. Sales Tax collections were above forecast by \$25.2 million, with continued gains in retail, wholesale, and vehicle sales. Corporate Income tax collections were also above forecast by \$7.5 million. Income Tax Refunds were less than expected.

Among smaller revenue sources, Tobacco was above forecast by \$1.1 million and below year ago collections. Results in Gaming revenue exceeded forecast by \$0.4 million.

**October Gross General Revenues:** October collections total \$565.5 million, an increase of \$11.1 million or 2.0 percent above last year and \$66.9 million or 13.4 percent above forecast.

**October Individual Income Tax** collections total \$264.0 million. Collections decreased by \$10.1 million or -3.7 percent compared to last year. With respect to the forecast, collections were \$33.0 million or 14.3 percent above forecast. Individual withholding decreased -4.1 percent compared to last year, reflecting income tax cuts and related changes in payroll withholding rates.

**October Individual Income Tax Refunds** total \$19.6 million, \$9.3 million or 32.2 percent below last year and \$11.5 million below forecast. Refund amounts below forecast add to net available fund results.

**October Sales and Use Tax Collections:** October collections total \$239.2 million, an increase of \$25.6 million or 12.0 percent above last year. Collections were above monthly forecast levels by \$25.2 million or 11.8 percent.

**October Corporate Income Tax** collections total \$30.6 million, a decrease of \$5.3 million from year ago, and \$7.5 million or 32.3 percent above forecast in a collection month notable for corporate estimated payments.

**October Corporate Income Tax Refunds** total \$7.4 million. This amount is \$4.0 million above year ago levels. Refunds were also \$3.2 million above forecast.

**October Tobacco Tax** collections, a smaller component of general revenue in annual terms, total \$18.1 million. Collections decreased by \$0.1 million from year earlier levels and were above forecast by \$1.1 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 October 2020, \$49.2 million was collected and deposited to the fund. After deductions, the net amount is \$47.7 million. The monthly collection is equivalent to a 10.9 percent increase from prior year collections.

C: /FISCNOT/October FY 2021  
Attachment (2)

**October 2020 Year-to-Date General Revenue Report**  
**Economic Analysis and Tax Research, DFA**

Forecast Date: 04/02/20

Millions of \$

	Actual Oct FY20	Forecast Oct FY21	Actual Oct FY21	<u>Change from Forecast</u>		<u>Change from Last Year</u>	
				Dollar Difference	Percent Difference	Dollar Difference	Percent Difference
Individual Income	1,073.2	1,146.9	1,269.4	122.5	10.7	196.2	18.3
Corporate Income	153.1	134.0	164.7	30.7	22.9	11.6	7.6
Sales & Use	851.7	845.9	943.1	97.2	11.5	91.5	10.7
Alcohol	20.6	21.4	22.7	1.3	6.3	2.1	10.2
Tobacco	74.8	68.0	76.5	8.5	12.5	1.8	2.3
Insurance	23.3	23.3	22.2	-1.1	-4.7	-1.1	-4.9
Racing	0.4	0.4	0.3	-0.1	-34.7	-0.2	-41.1
Gaming	13.5	9.6	10.1	0.5	5.4	-3.4	-25.3
Severance	3.5	2.5	2.8	0.3	11.5	-0.7	-19.7
Franchise	1.9	2.9	7.1	4.2	143.6	5.2	271.5
Real Estate Transfer	2.6	2.6	2.6	0.0	0.3	0.0	0.0
Miscellaneous	29.2	26.8	37.1	10.3	38.6	7.9	27.1
<b>Total Gross</b>	<b>2,247.9</b>	<b>2,284.3</b>	<b>2,558.7</b>	<b>274.4</b>	<b>12.0</b>	<b>310.7</b>	<b>13.8</b>
LESS: (SCSF/COF) <sup>1</sup>	69.7	70.8	79.3	8.5	12.0	9.6	13.8
Individual Income Refunds	53.5	69.5	101.3	31.8	45.7	47.8	89.2
Corporate Income Refunds	6.2	7.8	13.2	5.4	69.1	6.9	111.3
Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Econ Development Incentive	3.5	7.8	3.4	-4.4	-56.9	-0.1	-4.2
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
Water / Sewer Bonds	5.2	5.2	5.2	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	0.4	0.5	0.4	-0.1	-11.2	0.0	0.0
Educational Excellence	112.6	114.9	116.2	1.3	1.1	3.6	3.2
Educational Adequacy	10.0	10.2	10.3	0.1	0.7	0.3	3.2
<b>Total Deductions</b>	<b>261.1</b>	<b>286.7</b>	<b>329.2</b>	<b>42.5</b>	<b>14.8</b>	<b>68.1</b>	<b>26.1</b>
<b>Net Available</b>	<b>1,986.8</b>	<b>1,997.6</b>	<b>2,229.4</b>	<b>231.8</b>	<b>11.6</b>	<b>242.6</b>	<b>12.2</b>

Revenue Forecast Summary for the Month

October Year-to-Date Gross: \$ 274.4 Million OR 12.0% Above Forecast  
October Year-to-Date Net Available: \$ 231.8 Million OR 11.6% Above Forecast

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

**October 2020 General Revenue Report**  
**Economic Analysis and Tax Research, DFA**

Forecast Date: 04/02/20

Millions of \$

	Actual Oct FY20	Forecast Oct FY21	Actual Oct FY21	<u>Change from Forecast</u>		<u>Change from Last Year</u>	
				Dollar Difference	Percent Difference	Dollar Difference	Percent Difference
Individual Income	274.1	231.0	264.0	33.0	14.3	-10.1	-3.7
Corporate Income	35.8	23.1	30.6	7.5	32.3	-5.3	-14.7
Sales & Use	213.7	214.0	239.2	25.2	11.8	25.6	12.0
Alcohol	4.9	5.1	5.3	0.2	3.9	0.4	7.5
Tobacco	18.2	17.0	18.1	1.1	6.5	-0.1	-0.7
Insurance	1.9	1.9	0.4	-1.5	-78.8	-1.5	-78.5
Racing	0.1	0.1	0.1	0.0	-45.4	0.0	-40.0
Gaming	2.5	2.1	2.5	0.4	19.4	0.0	-1.3
Severance	0.6	0.4	0.6	0.2	46.1	0.0	-0.7
Franchise	0.3	1.4	2.4	1.0	71.8	2.1	657.6
Real Estate Transfer	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	2.3	2.5	2.4	-0.1	-5.8	0.0	1.3
<b>Total Gross</b>	<b>554.4</b>	<b>498.6</b>	<b>565.5</b>	<b>66.9</b>	<b>13.4</b>	<b>11.1</b>	<b>2.0</b>
LESS: (SCSF/COF) <sup>1</sup>	17.2	15.5	17.5	2.0	13.1	0.3	2.0
Individual Income Refunds	28.9	31.1	19.6	-11.5	-37.0	-9.3	-32.2
Corporate Income Refunds	3.4	4.2	7.4	3.2	75.4	4.0	118.8
Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Econ Development Incentive	2.0	1.9	1.7	-0.2	-10.1	-0.3	-13.1
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
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	28.1	28.7	29.0	0.3	1.2	0.9	3.2
Educational Adequacy	2.5	2.6	2.6	0.0	-1.2	0.1	3.2
<b>Total Deductions</b>	<b>83.6</b>	<b>85.5</b>	<b>79.3</b>	<b>-6.2</b>	<b>-7.2</b>	<b>-4.2</b>	<b>-5.1</b>
<b>Net Available</b>	<b>470.9</b>	<b>413.1</b>	<b>486.2</b>	<b>73.1</b>	<b>17.7</b>	<b>15.3</b>	<b>3.2</b>

Revenue Forecast Summary for the Month

October Gross: \$ 66.9 Million OR 13.4% Above Forecast  
October Net Available: \$ 73.1 Million OR 17.7% Above Forecast

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