



STATE OF ARKANSAS  
**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 November 2024 (FY 2025)**

DATE: December 3, 2024 Copy: Governor's Office

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The Official General Revenue Forecast was revised on November 14, 2024. The revised forecast projects a year-end surplus of \$278.6 million. The following comparisons to forecast of monthly and year-to-date results reflect the latest forecast revision.

**YEAR-TO-DATE REVENUE SUMMARY**

**Net Available General Revenues** total \$2,737.2 million, \$25.3 million or 0.9 percent below year ago levels. After five months into the fiscal year, net available revenue is above forecast by \$10.9 million or 0.4 percent.

**Gross General Revenues** total \$3,249.9 million, representing a decrease of \$74.5 million or 2.2 percent below last year. Gross general revenues are above forecast by \$11.4 million or 0.4 percent.

The decrease in year-to-date revenues compared to FY 2024 is largely due to the impact of individual and corporate income tax rate reductions passed in the First and Second Extraordinary Sessions of the 94<sup>th</sup> General Assembly.

**Individual Income Tax** collections total \$1,371.6 million, \$64.9 million or 4.5 percent below FY 2024 collections and \$3.4 million or 0.2 percent above forecast.

**Individual Income Tax Refunds** total \$154.0 million, down \$51.7 million or 25.1 percent compared to last year and \$1.0 million or 0.6 percent below forecast.

**Sales and Use Tax** collections total \$1,469.5 million, an increase of \$24.6 million or 1.7 percent above FY 2024 and \$5.4 million or 0.4 percent over forecast.

**Corporate Income Tax** collections total \$169.1 million, a decrease of \$38.2 million from year-to-date FY 2024. Corporate income tax is above forecast by \$3.2 million or 1.9 percent.

**Corporate Income Tax Refunds** total \$27.1 million, an increase of \$1.9 million compared to the same year-to-date period last year.

## NOVEMBER REVENUE SUMMARY

**Net Available General Revenues** total \$512.6 million, \$39.2 million or 8.3 percent higher than last year and \$10.9 million or 2.2 percent above forecast.

Net Available revenue results are above forecast in Individual and Corporate Income Taxes largely due to return payments. Income Tax refund claims are below forecast in Corporate and Individual.

Among smaller revenue sources, Insurance is above forecast by \$0.7 million and greater than year ago collections. Gaming is on forecast and slightly above last November.

**Gross General Revenues** total \$617.9 million, \$11.3 million or 1.9 percent higher than last year and \$11.4 million or 1.9 percent above forecast. Gross revenue collections are greater than a year ago due to Corporate Income Tax and Sales and Use Tax collections.

**Individual Income Tax** collections total \$245.1 million. Collections decreased by \$2.5 million, or 1.0 percent compared to last year. Compared to the forecast, collections are \$3.4 million, or 1.4 percent, above forecast. Individual Withholding Tax revenue decreased by \$6.2 million, reflecting the downward effects of recent tax cuts.

**Individual Income Tax Refunds** total \$26.8 million, \$36.1 million below last year and \$1.0 million under forecast.

**Sales and Use Tax** collections total \$294.9 million, \$7.8 million higher than last year and \$5.4 million, or 1.9 percent, more than forecast.

**Corporate Income Tax** collections total \$17.3 million, an increase of \$5.1 million from year ago, and \$3.2 million greater than forecast.

**Corporate Income Tax Refunds** total \$10.5 million, an amount that is \$4.9 million higher than year ago levels. Refunds are \$0.4 million below forecast.

**Tobacco Tax** collections, a smaller component of general revenue in annual terms, total \$15.3 million. Collections decreased by \$1.6 million from year earlier levels and are lower than forecast by \$0.4 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 November 2024, \$62.0 million is collected and deposited to the fund. After deductions, the net amount is \$60.2 million. The monthly collection is equivalent to a 3.6 percent increase from prior year collections.

Q: /Daily Report PDF Files/FY2025/05 November  
Attachment (2)

**November 2024 Year-to-Date General Revenue Report**  
**Economic Analysis and Tax Research, DFA**

Forecast Date: 11/14/24

Millions of \$

	Actual Nov FY24	Forecast Nov FY25	Actual Nov FY25	<u>Change from Forecast</u>		<u>Change from Last Year</u>	
				Dollar	Percent	Dollar	Percent
				Difference	Difference	Difference	Difference
Individual Income	1,436.5	1,368.2	1,371.6	3.4	0.2	-64.9	-4.5
Corporate Income	207.2	165.9	169.1	3.2	1.9	-38.2	-18.4
Sales & Use	1,444.9	1,464.1	1,469.5	5.4	0.4	24.6	1.7
Alcohol	32.0	31.9	31.8	-0.1	-0.3	-0.2	-0.6
Tobacco	82.9	80.5	80.1	-0.4	-0.5	-2.8	-3.4
Insurance	52.2	56.8	57.5	0.7	1.2	5.3	10.1
Racing	0.3	0.3	0.3	0.0	12.9	0.0	-0.8
Gaming	22.0	22.8	22.8	0.0	0.2	0.8	3.6
Severance	5.7	5.2	5.1	-0.1	-2.4	-0.6	-10.6
Franchise	5.0	6.0	6.0	0.0	0.0	1.0	20.2
Real Estate Transfer	2.6	2.6	2.6	0.0	0.3	0.0	0.0
Miscellaneous	33.0	34.2	33.4	-0.8	-2.3	0.5	1.4
<b>Total Gross</b>	<b>3,324.4</b>	<b>3,238.5</b>	<b>3,249.9</b>	<b>11.4</b>	<b>0.4</b>	<b>-74.5</b>	<b>-2.2</b>
LESS: (SCSF/COF) <sup>1</sup>	103.1	96.9	97.2	0.3	0.3	-5.9	-5.7
Individual Income Refunds	205.8	155.0	154.0	-1.0	-0.6	-51.7	-25.1
Corporate Income Refunds	25.2	27.5	27.1	-0.4	-1.4	1.9	7.4
Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Econ Development Incentive	6.3	7.5	9.2	1.7	22.1	2.9	45.8
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	6.4	6.4	6.4	0.0	0.0	0.0	0.0
College Savings Bonds	2.3	1.9	1.9	0.0	-1.9	-0.4	-17.3
City & County Tourist	0.4	0.5	0.4	-0.1	-11.2	0.0	0.0
Educational Excellence	195.2	198.9	198.9	0.0	0.0	3.7	1.9
Educational Adequacy	17.3	17.6	17.6	0.0	-0.1	0.3	1.9
Highway Casino Transfer	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Deductions</b>	<b>561.9</b>	<b>512.2</b>	<b>512.7</b>	<b>0.5</b>	<b>0.1</b>	<b>-49.2</b>	<b>-8.8</b>
<b>Net Available</b>	<b>2,762.5</b>	<b>2,726.3</b>	<b>2,737.2</b>	<b>10.9</b>	<b>0.4</b>	<b>-25.3</b>	<b>-0.9</b>

Revenue Forecast Summary for the Month

November Year-to-Date Gross: \$ 11.4 Million OR 0.4% Above Forecast  
November Year-to-Date Net Available: \$ 10.9 Million OR 0.4% Above Forecast

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

**November 2024 General Revenue Report**  
**Economic Analysis and Tax Research, DFA**

Forecast Date: 11/14/24

Millions of \$

	Actual Nov FY24	Forecast Nov FY25	Actual Nov FY25	<u>Change from Forecast</u>		<u>Change from Last Year</u>	
				Dollar	Percent	Dollar	Percent
				Difference	Difference	Difference	Difference
Individual Income	247.6	241.7	245.1	3.4	1.4	-2.5	-1.0
Corporate Income	12.2	14.1	17.3	3.2	22.6	5.1	41.9
Sales & Use	287.2	289.6	294.9	5.4	1.9	7.8	2.7
Alcohol	6.0	6.2	6.1	-0.1	-1.8	0.1	1.7
Tobacco	16.9	15.7	15.3	-0.4	-2.6	-1.6	-9.3
Insurance	26.5	27.7	28.4	0.7	2.6	2.0	7.4
Racing	0.1	0.1	0.1	0.0	52.7	0.1	115.3
Gaming	3.9	4.0	4.0	0.0	1.0	0.1	1.7
Severance	1.1	1.1	0.9	-0.1	-11.5	-0.2	-15.7
Franchise	0.6	2.3	2.3	0.0	0.1	1.7	304.5
Real Estate Transfer	0.0	0.0	0.0	0.0	-100.0	0.0	0.0
Miscellaneous	4.7	4.3	3.5	-0.8	-18.2	-1.2	-26.3
<b>Total Gross</b>	<b>606.6</b>	<b>606.6</b>	<b>617.9</b>	<b>11.4</b>	<b>1.9</b>	<b>11.3</b>	<b>1.9</b>
LESS: (SCSF/COF) <sup>1</sup>	18.8	18.2	18.5	0.3	1.6	-0.3	-1.4
Individual Income Refunds	62.9	27.8	26.8	-1.0	-3.5	-36.1	-57.4
Corporate Income Refunds	5.6	10.9	10.5	-0.4	-3.6	4.9	88.8
Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Econ Development Incentive	0.0	1.5	3.1	1.7	111.9	3.1	0.0
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	2.3	1.9	1.9	0.0	-1.9	-0.4	-17.3
City & County Tourist	0.0	0.1	0.0	-0.1	-100.0	0.0	0.0
Educational Excellence	39.0	39.8	39.8	0.0	0.0	0.7	1.9
Educational Adequacy	3.5	3.5	3.5	0.0	-0.5	0.1	1.9
Highway Casino Transfer	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Deductions</b>	<b>133.2</b>	<b>104.9</b>	<b>105.3</b>	<b>0.5</b>	<b>0.5</b>	<b>-27.9</b>	<b>-20.9</b>
<b>Net Available</b>	<b>473.4</b>	<b>501.7</b>	<b>512.6</b>	<b>10.9</b>	<b>2.2</b>	<b>39.2</b>	<b>8.3</b>

Revenue Forecast Summary for the Month

November Gross: \$ 11.4 Million OR 1.9% Above Forecast  
November Net Available: \$ 10.9 Million OR 2.2% Above Forecast

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