STATE OF ARKANSAS
Department of Finance and Administration

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May 18, 2022

The Honorable Terry Rice, Co-Chair
The Honorable Jeff Wardlaw, Co-Chair
Arkansas Legislative Council
State Capitol
Little Rock, Arkansas 72201

Dear Senator Rice and Representative Wardlaw:

In accordance with Arkansas Code Annotated §10-3-1404 (a) (1), I am attaching tables summarizing the May 18, 2022 revision to the official general revenue forecast for Fiscal Years 2022, 2023, 2024, and 2025.

Summary of Net Available Revenues:

Current Year

- For FY 2022 net available revenues are expected to reach $7,322.7 million, an increase of $477.4 million, or 7.0 percent from FY 2021 results for net available. Year-to-date actual growth after ten months in the fiscal year has been 13.5 percent above year earlier levels, resulting in $987.9 million above forecast at that point. Individual Income Tax collections have been above year ago because of tax filing deadline differences and better than expected payments with Returns and Extensions on tax year 2021 liabilities. Sales and Use Tax collections have been above forecast with the combined effects of economic expansion and remaining Federal stimulus program effects. Corporate Income tax collections are also above forecast in a second year of high growth after 35 percent growth in FY 2021.

  The FY 2022 forecast is expected to fund the allocations “A” + “B” + “C” + “D” in the current Revenue Stabilization Law (RSA) and provide a surplus above RSA of $1.473 billion.

Forecast

- For FY 2023 net available revenues are expected to reach $6,938.3 million, a decrease of $384.4 million or -5.2 percent below the revised FY 2022 level.

  The FY 2023 forecast is expected to fund the allocations “A” + “B” in the approved Revenue Stabilization Law and provide a surplus of $914.0 million.

- For FY 2024 net available revenues are expected to reach $6,652.2 million, a decrease of $286.1 million or -4.1 percent below FY 2023.

- For FY 2025 net available revenues are expected to reach $6,846.4 million, an increase of $194.2 million or 2.9 percent above FY 2024.

Economic Forecast Assumptions

Economic models employed by the Department of Finance and Administration indicate continued high growth across FY22 and 23, despite new risk developments on the inflation front and war in Ukraine. Acknowledgement of more persistent sources of inflation has modified the Federal Reserve’s monetary policy stance with faster rollout of rate increases for the Fed Funds Rate in CY 2022 and 2023. Slower GDP growth and higher unemployment rates over the next few years come with the inflation fight. Longer term the outlook still calls for policy targets of a rate range of 2.50% to 2.75% with inflation at or just above 2.0%, and containment of labor cost inflation.

Transition from COVID19 stimulus programs with transfer payments for households and businesses to private sector leadership in economic rebound has been robust. While total U.S. personal income growth decelerated from 7.4% in CY 2021 to expected growth of 2.3% this year, the wage income core is likely to show 9% growth in both years and 10% growth in the private sector portion. Limited response in labor force participation rates to rising wages and unfilled jobs will extend wage-push inflation in the short run. The extended forecast largely matches monetary policy goals of reduced rates of inflation, return to trend GDP growth, and more balance in labor markets. These goals are largely attained by 2024 in annual averages.

The Arkansas economy continues to display elevated growth derived from a mix of sector recovery rates and expansion. Travel, accommodation, restaurants, transportation services, and educational sectors are gaining from increased operating rates compared to COVID19 influence on institutions and operating rates. Large sectors including retail, manufacturing, and professional and technical services are also growing at pre-pandemic growth rates or above. The state’s unemployment rate will remain near historically low rates through FY24 with limited response from labor force participation.

The short-term outlook for the Arkansas economy indicates elevated growth rates for another year in FY23, trending back toward pre-pandemic growth averages by FY24. Job growth will fall below the pre-pandemic average growth of 1.3% during FY24 in response to national trends. The key indicator of total wage income growth will again exceed pre-pandemic averages in FY23 and 24 from continued job gains and wage inflation. Retail sales are expected to soften in FY23 and 24 in comparison to high consumption rates in FY21 and 22. A blended picture for growth will mark FY23 and 24 with rising costs for households and businesses. Real disposable income growth will remain above the pre-pandemic average of 2.5% through FY25 but with slow deceleration over the forecast period.

The risk set has dramatically changed since the last forecast revision with war in Ukraine and greater uncertainty in energy markets and supply chains. The pessimistic case with a 35% probability involves weak consumer spending in response to largely unconstrained prices, uncertain speed of response in interest rates, and flat GDP growth in the first half of FY23. Consumption measures would be expected to turn negative in the second half of 2022 without significant rebound in early 2023 while construction and other investment indicators trend down significantly. The optimistic case with a 15% probability is tied to a more hopeful outcome for the Russia-Ukraine conflict with more stimulus and largely resolved supply chain issues. The Department will act expeditiously to adjust the forecast and budgets if conditions warrant.

The department utilizes more stable and conservative forecast sources and models among national forecast contractors to maintain a conservative input process. Revenue sources are evaluated separately to capture collection issues for each contributing revenue line. We have provided a conservative revenue forecast recognizing the growth opportunities and the risk profile.

I have attempted to provide this information in a format that facilitates your work. A narrative summary of the revenue forecasts and tables for quick reference are included with this letter.

Sincerely,

Larry W. Walther
Secretary

LWW/jps
Attachments (3)

STATE AND NATIONAL ECONOMIC AND REVENUE FORECASTS

The following sections summarize the economic outlook for the nation and Arkansas for the next four years with comments updating current year conditions. The Official Revenue Forecast for the 2021-2023 Biennium is included, along with estimates for fiscal years 2024 and 2025.

The revenue forecasts are conditionally based on the expected economic conditions in the state and nation as of April 2022. The U.S. and state economic forecasts were compiled from simulations representing structural economic modeling systems at IHS Markit Inc., now a part S&P Global. The Office of Economic Analysis and Tax Research, DFA, prepared the general revenue forecast.

Economic and Revenue Estimates for Fiscal Year 2022

Summary of Economic and Revenue Estimates for FY 2022

- **FY 2022 U.S. Gross Domestic Product (Real Output).** This summary is based on the April 2022 baseline forecast of IHS Markit Inc. During FY 2022, the United States economy is expected to produce final goods and services valued in inflation-adjusted dollars at $19,759 billion, for an annual increase of $821 billion or 4.3 percent. Two general measures of inflation indicate high near-term price gains during the year, stemming from energy price rebound and a variety of factors related to supply chain issues and rapid economic recovery. These consist of the Consumer Price Index (CPI) and the GDP price deflator, a measure of overall price inflation spanning consumers, businesses, and government. The Consumer Price Index is expected to increase 6.8 percent and the GDP price deflator is expected to rise by 5.8 percent.

- **U.S. gross domestic product in current dollars** is estimated at $24,128 billion, an increase of $2,279 billion or 10.4 percent.

- **Average annual U.S. oil prices** are estimated at $89.7 per barrel (domestic crude price to refineries) in FY 2022 from the April forecast. Energy prices have surged in response to war in Ukraine and global demand recovery from pandemic with limited supply response.

- **FY 2022 Arkansas total personal income** (the sum of wages and salaries, proprietor's income, rent, dividends, interest, and transfer payments) is estimated at $154.6 billion (current dollars), an increase of $5.3 billion or 3.6 percent from FY 2021. Growth in total income is limited by the decline in the transfer payments component after Federal stimulus payments in the prior year.

- **FY 2022 Arkansas wage and salary disbursements** are estimated at $70.8 billion, an increase of $6.5 billion or 10.2 percent.

- **FY 2022 Arkansas payroll employment** is expected to reach a level of 1.304 million jobs, an increase of approximately 43,700 jobs or 3.5 percent. This includes recent upward revisions in recent actual data by the Bureau of Labor Statistics in addition to forecast updates. Private sector job change is expected to be 4.0 percent above the prior year.

FY 2022 Gross General Revenues

Gross general revenues are estimated at $8,617.1 million, an increase from FY 2021 of $496.1 million, or 6.1 percent.

Pursuant to Arkansas Code §19-5-202, the total fee deducted from general revenue for funding of the State Central Services Fund and Constitutional Officers Fund for FY 2019 was set at 3.1 percent.

In addition to the usual deductions from gross general revenues, such as the Constitutional Officers Fund, the State Central Services Fund, and refunds of individual and corporate income taxes, the following trust fund is noted:

- **Act 1315 (1999) Educational Excellence Trust Fund.** Act 1315 (1999) established a benchmark of 14.14 percent which is applied against actual sales and use tax collections of the previous fiscal year. Under this formula, $395.1 million has been determined to be distributed (net) in FY 2022.

FY 2022 Net Available General Revenues

Net available revenues are estimated at $7,322.7 million, an increase of $477.4 million or 7.0 percent from FY 2021.

FY 2022 revenues are expected to fund the allocations “A” + “B” + “C” + “D” in the current Revenue Stabilization Law and a surplus of $1,473 million is indicated.

FY 2022 Selected Special Revenues:

- **FY 2022 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. Effective with FY 2008, a portion of the six-cent per gallon dyed diesel tax is also deposited to the Educational Adequacy Fund to partially offset the revenue loss from exempting dyed diesel from sales tax.

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. Estimate for FY 2022: $651.9 million.

- **FY 2022 WorkForce 2000 (Special Corporate Income Taxes).** Act 1315 (1999) established a benchmark of 6.78 percent which will be applied against net corporate income tax collections in the previous fiscal year. Under this formula, it has been determined that $40.6 million will be distributed in FY 2022.

Economic and Revenue Estimates for Fiscal Year 2023

Summary of Economic and Revenue Estimates for FY 2023

- **FY 2023 U.S. Gross Domestic Product (Real Output).** This summary is based on the April 2022 baseline forecast of IHS Markit Inc. During FY 2023, the United States economy is expected to produce final goods and services valued in inflation-adjusted dollars at $20,281 billion, an increase of $522 billion or 2.6 percent. Two general measures of inflation indicate elevated price pressures during the year. The Consumer Price Index is expected to increase 4.4 percent and the GDP price deflator is expected to rise by 4.1 percent.

- **U.S. gross domestic product in current dollars** is estimated at $25,799 billion, an increase of $1,671 billion or 6.9 percent over FY 2022.

- **Average annual U.S. oil prices** are estimated at $101 per barrel (domestic crude price to refineries) in FY2023. Price pressure is expected to persist with war in Ukraine and limited supply response in global markets. Weekly and monthly price swings could vary widely around the annual averages.

- **FY 2023 Arkansas total personal income** is estimated at $163.2 billion (current dollars), an increase of $8.6 billion or 5.6 percent over FY 2022. Normal growth is expected in FY 2023 after stimulus payments in the prior years.

- **FY 2023 Arkansas wage and salary disbursements** are estimated at $75.5 billion, an increase of $4.71 billion or 6.6 percent. Total disbursements reflect the combined effects of net job growth, longer average work weeks, and any gains in wage rates, bonuses, or level of overtime pay rates.

- **FY 2023 Arkansas payroll employment** is expected to reach a level of 1.323 million jobs, an increase of approximately 19,300 jobs or 1.5 percent. Private sector job growth is expected to be 1.4 percent in FY 2023.

FY 2023 Gross General Revenues

Gross general revenues are estimated at $8,325.5 million, a decrease from FY 2022 of $291.6 million, or -3.4 percent.

The total fee deducted from general revenue for funding of the State Central Services Fund and Constitutional Officers Fund for FY 2023 is assumed to remain at 3.1 percent.

In addition to the usual deductions from gross general revenues, such as the Constitutional Officers Fund, the State Central Services Fund, and refunds of individual and corporate income taxes, the following trust fund is noted:

- **Act 1315 (1999) Educational Excellence Trust Fund.** Act 1315 (1999) established a benchmark of 14.14 percent which is applied against actual sales and use tax collections of the previous fiscal year. $426.8 million is estimated to be distributed (net) in FY 2023.

FY 2023 Net Available General Revenues

Net available revenues are estimated at $6,938.3 million, a decrease of $384.4 million or -5.2 percent compared to FY 2022.

FY 2023 revenues are expected to fund the allocations “A” + “B” in the approved Revenue Stabilization Law and a surplus of $914.0 million is indicated.

FY 2023 Selected Special Revenues:

- **FY 2023 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. Effective with FY 2008, a portion of the six-cent per gallon dyed diesel tax is also deposited to the Educational Adequacy Fund to partially offset the revenue loss from exempting dyed diesel from sales tax.

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. Estimate for FY 2023: $655.9 million.

- **FY 2023 WorkForce 2000 (Special Corporate Income Taxes).** Act 1315 (1999) established a benchmark of 6.78 percent which will be applied against net corporate income tax collections in the previous fiscal year. $50.7 million is estimated to be distributed in FY 2023.

Summary of Economic and Revenue Estimates for FY 2024

- **FY 2024 U.S. Gross Domestic Product (Real Output).** During FY 2024, the United States economy is expected to produce final goods and services valued at $20,849 billion in inflation-adjusted dollars, an increase of $569 billion or 2.8 percent. The two inflation measures of consumer price index (CPI) and GDP price deflator are expected to decelerate toward target levels. The consumer price index (CPI) is expected to increase 2.1 percent and the GDP price deflator is expected to increase 2.5 percent in FY 2024.

- **U.S. gross domestic product in current dollars** is estimated at $27,199 billion for FY 2024, an increase of $1,400 billion or 5.4 percent.

- **Average annual U.S. oil prices** are estimated at $86.50 per barrel (domestic crude price to refineries) in FY 2024. Oil prices and domestic energy demand are expected to stabilize after war-related increases but remain elevated compared to the pandemic period and years prior. Weekly and monthly price swings could vary widely around the annual averages.

- **FY 2024 Arkansas total personal income** will reach $171.9 billion (current dollars), an increase of $8.7 billion or 5.3 percent over FY 2023. Total income is expected to expand moderately in a mixed job market and expanding national economy.

- **FY 2024 Arkansas wage and salary disbursements** are estimated at $79.3 billion, an increase of $3.8 billion or 5.0 percent.

- **FY 2024 Arkansas payroll employment** is expected to reach a level of 1.326 million jobs, an increase of approximately 3,400 jobs or 0.3 percent. Private sector job growth is expected to be 0.1 percent in FY 2024.

FY 2024 Gross General Revenues

The forecast for gross general revenues in FY 2024 is $8,074.3 million, a decrease of $251.2 million or -3.0 percent from FY 2023.

The total fee deducted from general revenue for funding of the State Central Services Fund and Constitutional Officers Fund for FY 2024 is assumed to remain at 3.1 percent.

In addition to the usual deductions from gross general revenues, such as the Constitutional Officers Fund, the State Central Services Fund, and refunds of individual and corporate income taxes, the following trust fund is noted:

- **Act 1315 (1999) Educational Excellence Trust Fund.** Act 1315 (1999) established a benchmark of 14.14 percent which is applied against actual sales and use tax collections of the previous fiscal year. Under this formula, an estimated $433.9 million may be distributed (net) in FY 2024.

FY 2024 Net Available General Revenues

For FY 2024, net available general revenues are estimated at $6,652.2 million, a decrease of $286.1 million or -4.1 percent from FY 2023.

Summary of Economic and Revenue Estimates for FY 2025

- **FY 2025 U.S. Gross Domestic Product (Real Output).** During FY 2025, the United States economy is expected to produce final goods and services valued at $21,379 billion in inflation-adjusted dollars, an increase of $530 billion or 2.5 percent. The two inflation measures of consumer price index (CPI) and GDP price deflator are expected to approach policy target levels. The consumer price index (CPI) is expected to increase 2.0 percent and the GDP price deflator is expected to increase 2.4 percent in FY 2025.

- **U.S. gross domestic product in current dollars** is estimated at $28,553 billion for FY 2025, an increase of $1,354 billion or 5.0 percent.

- **Average annual U.S. oil prices** are estimated at $80.50 per barrel (domestic crude price to refineries) in FY 2025. Oil prices and domestic energy demand are expected to be restrained in a lower inflation and lower growth period. Weekly and monthly price swings could vary widely around the annual averages.

- **FY 2025 Arkansas total personal income** will reach $181.1 billion (current dollars), an increase of $9.1 billion or 5.3 percent over FY 2024. Total income is expected to expand moderately in a stable job market and expanding national economy.

- **FY 2025 Arkansas wage and salary disbursements** are estimated at $82.9 billion, an increase of $3.6 billion or 4.5 percent.

- **FY 2025 Arkansas payroll employment** is expected to reach a level of 1.328 million jobs, an increase of approximately 1,400 jobs or 0.1 percent. Private sector job growth is expected to be flat in FY 2025.

FY 2025 Gross General Revenues

The forecast for gross general revenues in FY 2025 is $8,324.7 million, an increase of $250.4 million or 3.1 percent over FY 2024.

The total fee deducted from general revenue for funding of the State Central Services Fund and Constitutional Officers Fund for FY 2025 is assumed to remain at 3.1 percent.

In addition to the usual deductions from gross general revenues, such as the Constitutional Officers Fund, the State Central Services Fund, and refunds of individual and corporate income taxes, the following trust fund is noted:

- **Act 1315 (1999) Educational Excellence Trust Fund.** Act 1315 (1999) established a benchmark of 14.14 percent which is applied against actual sales and use tax collections of the previous fiscal year. Under this formula, an estimated $442.1 million may be distributed (net) in FY 2025.

FY 2025 Net Available General Revenues

For FY 2025, net available general revenues are estimated at $6,846.4 million, an increase of $194.2 million or 2.9 percent over FY 2024.

Office of the Secretary and
Economic Analysis and Tax Research,
Department of Finance and Administration
May 18, 2022

Official General Revenue Forecast
FY 2022 - 2023

Millions of Dollars	05/18/22 Estimate	**FY 22** Increase	Yr/Yr % CH	05/18/22 Estimate	**FY 23** Increase	Yr/Yr % CH
Individual Income	4,133.0	163.8	4.1	3,907.1	-225.9	-5.5
Corporate Income	782.7	130.8	20.1	642.2	-140.5	-18.0
Sales and Use Tax	3,115.2	231.4	8.0	3,166.8	51.6	1.7
Alcohol	73.9	5.1	7.4	74.4	0.5	0.7
Tobacco	212.1	-12.4	-5.5	196.8	-15.3	-7.2
Insurance	160.0	-31.8	-16.6	194.3	34.3	21.4
Racing	1.5	-0.1	-8.0	1.3	-0.2	-13.3
Gaming	46.6	7.8	20.1	50.4	3.8	8.2
Severance	13.2	6.0	82.7	13.5	0.3	2.3
Franchise	8.0	0.0	0.0	8.0	0.0	0.0
Real Estate Transfer	2.6	0.0	-0.3	2.6	0.0	0.0
Miscellaneous	68.3	-4.4	-6.0	68.1	-0.2	-0.3
Total Gross	**8,617.1**	**496.1**	**6.1**	**8,325.5**	**-291.6**	**-3.4**
LESS: SCS / COF	267.1	17.0	6.8	258.1	-9.0	-3.4
Individual Refunds	445.5	-56.6	-11.3	486.4	40.9	9.2
Corporate Refunds	53.2	-12.1	-18.5	71.9	18.7	35.2
Claims Reserve	10.0	10.0	0.0	10.0	0.0	0.0
Econ Develop Incentive	17.5	4.3	32.7	23.4	5.9	33.7
Recycling Tax Credit	16.0	0.0	0.0	16.0	0.0	0.0
Amendment 82 Bonds	5.3	0.0	0.2	5.3	0.0	0.0
Water / Sewer Bonds	14.8	0.0	0.0	14.8	0.0	0.0
College Savings Bonds	20.4	-2.8	-12.1	18.3	-2.1	-10.3
City / County Tourist	0.9	0.0	1.4	0.9	0.0	0.0
Educational Excellence	395.1	46.6	13.4	426.8	31.7	8.0
Educational Adequacy	34.9	4.1	13.3	37.7	2.8	8.0
Highway Casino Transfer	13.7	8.1	144.7	17.6	3.9	28.5
Net Available	7,322.7	477.4	7.0	6,938.3	-384.4	-5.2
LESS: Surplus	1,473.5	527.8		914.0	-559.5	
Net Available Distribution	**5,849.2**	**-50.4**	**-0.9**	**6,024.3**	**175.1**	**3.0**

Prepared by: DFA,
Economic Analysis & Tax Research

Official General Revenue Forecast
FY 2024 - 2025

Millions of Dollars	05/18/22 Estimate	**FY 24** Increase	Yr/Yr % CH	05/18/22 Estimate	**FY 25** Increase	Yr/Yr % CH
Individual Income	3,770.1	-137.0	-3.5	3,892.5	122.4	3.2
Corporate Income	503.0	-139.2	-21.7	502.9	-0.1	0.0
Sales and Use Tax	3,226.7	59.9	1.9	3,322.6	95.9	3.0
Alcohol	77.6	3.2	4.3	79.6	2.0	2.6
Tobacco	190.4	-6.4	-3.3	184.3	-6.1	-3.2
Insurance	162.8	-31.5	-16.2	196.6	33.8	20.8
Racing	1.2	-0.1	-7.7	1.2	0.0	0.0
Gaming	54.8	4.4	8.7	57.1	2.3	4.2
Severance	10.3	-3.2	-23.7	9.5	-0.8	-7.8
Franchise	8.0	0.0	0.0	8.0	0.0	0.0
Real Estate Transfer	2.6	0.0	0.0	2.6	0.0	0.0
Miscellaneous	66.8	-1.3	-1.9	67.8	1.0	1.5
Total Gross	**8,074.3**	**-251.2**	**-3.0**	**8,324.7**	**250.4**	**3.1**
LESS: SCS / COF	250.3	-7.8	-3.0	258.1	7.8	3.1
Individual Refunds	508.6	22.2	4.6	542.2	33.6	6.6
Corporate Refunds	75.6	3.7	5.1	79.3	3.7	4.9
Claims Reserve	10.0	0.0	0.0	10.0	0.0	0.0
Econ Develop Incentive	23.4	0.0	0.0	23.4	0.0	0.0
Recycling Tax Credit	16.0	0.0	0.0	16.0	0.0	0.0
Amendment 82 Bonds	5.3	0.0	0.0	5.3	0.0	0.0
Water / Sewer Bonds	14.8	0.0	0.0	14.8	0.0	0.0
College Savings Bonds	23.0	4.7	25.7	23.0	0.0	0.0
City / County Tourist	0.9	0.0	0.0	0.9	0.0	0.0
Educational Excellence	433.9	7.1	1.7	442.1	8.2	1.9
Educational Adequacy	38.4	0.7	1.9	39.1	0.7	1.8
Highway Casino Transfer	21.9	4.3	24.4	24.1	2.2	10.0
Net Available	6,652.2	-286.1	-4.1	6,846.4	194.2	2.9
LESS: Surplus						
Net Available Distribution	**6,652.2**	**627.9**	**10.4**	**6,846.4**	**194.2**	**2.9**

Prepared by: DFA,
Economic Analysis & Tax Research

Economic Assumptions and the Official General Revenue Forecast
FY 2022 - 2023

Millions of Dollars	05/18/22 Estimate	**FY 22** Increase	Yr/Yr % CH	05/18/22 Estimate	**FY 23** Increase	Yr/Yr % CH
Individual Income Tax	4,133.0	163.8	4.1	3,907.1	-225.9	-5.5
Individual Refunds	445.5	-56.6	-11.3	486.4	40.9	9.2
Net Individual Income	3,687.5	220.4	6.4	3,420.7	-266.8	-7.2
Corporate Income Tax	782.7	130.8	20.1	642.2	-140.5	-18.0
Corporate Refunds	53.2	-12.1	-18.5	71.9	18.7	35.2
Net Corporate Income	729.5	142.8	24.3	570.3	-159.2	-21.8
Sales and Use Tax	3,115.2	231.4	8.0	3,166.8	51.6	1.7
Net Economic Tax Revenue	7,532.2	594.6	8.6	7,157.8	-374.4	-5.0
Other Tax Revenue	586.2	-29.9	-4.9	609.4	23.2	4.0
Gross General Revenues	**8,617.1**	**496.1**	**6.1**	**8,325.5**	**-291.6**	**-3.4**
LESS: SCS / COF	267.1	17.0	6.8	258.1	-9.0	-3.4
Individual Refunds	445.5	-56.6	-11.3	486.4	40.9	9.2
Corporate Refunds	53.2	-12.1	-18.5	71.9	18.7	35.2
Claims Reserve	10.0	10.0	0.0	10.0	0.0	0.0
Econ Develop Incentive	17.5	4.3	32.7	23.4	5.9	33.7
Recycling Tax Credit	16.0	0.0	0.0	16.0	0.0	0.0
Amendment 82 Bonds	5.3	0.0	0.2	5.3	0.0	0.0
Water / Sewer Bonds	14.8	0.0	0.0	14.8	0.0	0.0
College Savings Bonds	20.4	-2.8	-12.1	18.3	-2.1	-10.3
City / County Tourist	0.9	0.0	1.4	0.9	0.0	0.0
Educational Excellence	395.1	46.6	13.4	426.8	31.7	8.0
Educational Adequacy	34.9	4.1	13.3	37.7	2.8	8.0
Highway Casino Transfer	13.7	8.1	144.7	17.6	3.9	28.5
Net Available	7,322.7	477.4	7.0	6,938.3	-384.4	-5.2
LESS: Surplus	1,473.5	527.8		914.0	-559.5	
Net Available Distribution	**5,849.2**	**-50.4**	**-0.9**	**6,024.3**	**175.1**	**3.0**

ECONOMIC ASSUMPTIONS	**FY2022**			**FY2023**		
U.S. GDP Nominal (Billion $)	24,127.9	2,279.1	10.4%	25,799.3	1,671.4	6.9%
U.S. GDP Real (Billions 2012$ Chain-Weight)	19,758.8	820.7	4.3%	20,280.5	521.7	2.6%
U.S. GDP Deflator (Chain-Wt, 2012=100)	122.2	6.7	5.8%	127.2	5.0	4.1%
U.S. CPI Price Index (1982-84=100)	281.2	18.0	6.8%	293.7	12.5	4.4%
OIL - Avg. Dom. Crude to Refinery ($ per bbl.)	89.7	37.3	71.1%	101.0	11.3	12.6%
AR. Net General Revenue (Million $)	8,118.4	564.7	7.5%	7,767.2	-351.2	-4.3%
AR. Net GR % of Total Personal Income	5.3%	0.2%	3.8%	4.8%	-0.5%	-9.4%
AR. Total Personal Income (Million $)	154,618.7	5,338.6	3.6%	163,251.3	8,632.6	5.6%
AR. Wage & Salary Disbursements (Million $)	70,836.6	6,568.3	10.2%	75,551.6	4,715.0	6.7%
AR. Personal Transfer Payments (Million $)	37,564.5	-3,920.2	-9.4%	38,915.9	1,351.4	3.6%
AR. Per Capita Income ($)	50,986.0	1,562.0	3.2%	53,675.0	2,689.0	5.3%
AR. GDP Nominal (Million $)	151,308.4	13,971.6	10.2%	161,311.3	10,002.9	6.6%
AR. Employment Total Payroll (Thousands)	1,303.9	43.7	3.5%	1,323.2	19.3	1.5%
AR. Employment Private Sector (Thousands)	1,095.5	42.2	4.0%	1,110.9	15.4	1.4%
AR. Employment Manufacturing (Thousands)	160.2	5.2	3.4%	163.0	2.8	1.7%
AR. New Car/Light Truck registrations (Thous.)	108.8	-26.2	-19.4%	124.7	15.9	14.6%
AR. Retail Sales (Million $)	54,596.1	5,268.1	10.7%	55,712.1	1,116.0	2.0%

U.S. Summary: IHS Markit, April 2022 baseline
AR Summary: IHS Markit, April 2022 baseline

Economic Assumptions and the Official General Revenue Forecast
FY 2024 - 2025

Millions of Dollars	05/18/22 Estimate	**FY 24** Increase	Yr/Yr % CH	05/18/22 Estimate	**FY 25** Increase	Yr/Yr % CH
Individual Income Tax	3,770.1	-137.0	-3.5	3,892.5	122.4	3.2
Individual Refunds	508.6	22.2	4.6	542.2	33.6	6.6
Net Individual Income	3,261.5	-159.2	-4.7	3,350.3	88.8	2.7
Corporate Income Tax	503.0	-139.2	-21.7	502.9	-0.1	0.0
Corporate Refunds	75.6	3.7	5.1	79.3	3.7	4.9
Net Corporate Income	427.4	-142.9	-25.1	423.6	-3.8	-0.9
Sales and Use Tax	3,226.7	59.9	1.9	3,322.6	95.9	3.0
Net Economic Tax Revenue	6,915.6	-242.2	-3.4	7,096.5	180.9	2.6
Other Tax Revenue	574.5	-34.9	-5.7	606.7	32.2	5.6
Gross General Revenues	**8,074.3**	**-251.2**	**-3.0**	**8,324.7**	**250.4**	**3.1**
LESS: SCS / COF	250.3	-7.8	-3.0	258.1	7.8	3.1
Individual Refunds	508.6	22.2	4.6	542.2	33.6	6.6
Corporate Refunds	75.6	3.7	5.1	79.3	3.7	4.9
Claims Reserve	10.0	0.0	0.0	10.0	0.0	0.0
Econ Develop Incentive	23.4	0.0	0.0	23.4	0.0	0.0
Recycling Tax Credit	16.0	0.0	0.0	16.0	0.0	0.0
Amendment 82 Bonds	5.3	0.0	0.0	5.3	0.0	0.0
Water / Sewer Bonds	14.8	0.0	0.0	14.8	0.0	0.0
College Savings Bonds	23.0	4.7	25.7	23.0	0.0	0.0
City / County Tourist	0.9	0.0	0.0	0.9	0.0	0.0
Educational Excellence	433.9	7.1	1.7	442.1	8.2	1.9
Educational Adequacy	38.4	0.7	1.9	39.1	0.7	1.8
Highway Casino Transfer	21.9	4.3	24.4	24.1	2.2	10.0
Net Available	6,652.2	-286.1	-4.1	6,846.4	194.2	2.9
LESS: Surplus						
Net Available Distribution	**6,652.2**	**627.9**	**10.4**	**6,846.4**	**194.2**	**2.9**

ECONOMIC ASSUMPTIONS		**FY2024**			**FY2025**	
U.S. GDP Nominal (Billion $)	27,199.0	1,399.7	5.4%	28,553.0	1,354.0	5.0%
U.S. GDP Real (Billions 2012$ Chain-Weight)	20,849.4	568.8	2.8%	21,379.2	529.8	2.5%
U.S. GDP Deflator (Chain-Wt, 2012=100)	130.4	3.2	2.5%	133.5	3.1	2.4%
U.S. CPI Price Index (1982-84=100)	299.9	6.2	2.1%	305.9	6.0	2.0%
OIL - Avg. Dom. Crude to Refinery ($ per bbl.)	86.5	-14.5	-14.4%	80.5	-6.0	-7.0%
AR. Net General Revenue (Million $)	7,490.1	-277.1	-3.6%	7,703.2	213.1	2.8%
AR. Net GR % of Total Personal Income	4.4%	-0.4%	-8.4%	4.3%	-0.1%	-2.3%
AR. Total Personal Income (Million $)	171,956.9	8,705.6	5.3%	181,087.6	9,130.7	5.3%
AR. Wage & Salary Disbursements (Million $)	79,349.3	3,797.7	5.0%	82,923.0	3,573.7	4.5%
AR. Personal Transfer Payments (Million $)	40,950.7	2,034.8	5.2%	43,184.1	2,233.4	5.5%
AR. Per Capita Income ($)	56,370.0	2,695.0	5.0%	59,166.0	2,796.0	5.0%
AR. GDP Nominal (Million $)	169,510.2	8,198.9	5.1%	177,149.5	7,639.3	4.5%
AR. Employment Total Payroll (Thousands)	1,326.6	3.4	0.3%	1,328.0	1.4	0.1%
AR. Employment Private Sector (Thousands)	1,111.7	0.8	0.1%	1,111.7	0.0	0.0%
AR. Employment Manufacturing (Thousands)	161.7	-1.3	-0.8%	161.1	-0.6	-0.4%
AR. New Car/Light Truck registrations (Thous.)	129.1	4.4	3.5%	130.8	1.7	1.3%
AR. Retail Sales (Million $)	55,624.0	-88.1	-0.2%	56,487.4	863.4	1.6%

U.S. Summary: IHS Markit, April 2022 baseline
AR Summary: IHS Markit, April 2022 baseline