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**Department of Finance  
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**MEMORANDUM**

TO: Larry Walther, Secretary  
Paul Louthian, Deputy Director

FROM: John Shelnett, Economic Analysis & Tax Research *JS*

SUBJECT: **General Revenue Report for January (FY 2022)**

DATE: February 2, 2022 Copy: Governor's Office

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**YEAR-TO-DATE REVENUE SUMMARY**

**Year-to-date Net Available General Revenues:** Year-to-date net available general revenues total \$4,134.5 million, \$275.0 million or 7.1 percent above year ago levels. After seven months into the fiscal year, Net Available revenue is above the revised forecast by \$240.8 million or 6.2 percent.

**Year-to-date Gross General Revenues:** Year-to-date gross collections total \$4,678.0 million, representing an increase of \$258.6 million or 5.9 percent above last year. Gross general revenues are above forecast by \$231.2 million or 5.2 percent.

**Year-to-date Individual Income Taxes:** Year-to-date individual income tax collections total \$2,141.3 million, \$31.6 million or -1.5 percent below FY 2021 collections and \$140.7 million or 7.0 percent above forecast. Tax due date shift accounts for the disparity against year ago levels while Estimated Payments and Payroll Withholding account for most of the current gains above forecast.

**Year-to-date individual income tax refunds** total \$102.4 million, down \$32.4 million or -24.0 percent compared to last year and \$0.2 million or -0.2 percent below forecast. Tax due date shifts accounted for differences in refund levels in the year ago comparison.

**Year-to-date Sales and Use Tax Collections:** On a year-to-date basis, sales and use taxes total \$1,824.0 million, an increase of \$194.6 million or 11.9 percent from FY 2021 and \$47.6 million or 2.7 percent above forecast.

**Year-to-date Corporate Income Taxes:** Year-to-date corporate revenues total \$401.2 million, an increase of \$86.5 million from year-to-date FY 2021. Corporate income is above forecast by \$35.8 million or 9.8 percent. Corporate Estimated Payments exceeded year ago and forecast levels.

**Year-to-date corporate income tax refunds** total \$25.1 million, a decrease of \$23.0 million compared to the same year-to-date period last year.

## JANUARY REVENUE SUMMARY

**January Net Available General Revenues** total \$715.4 million, \$79.6 million or 12.5 percent above last year and \$188.7 million or 35.8 percent above forecast.

Net Available revenue results were above the revised forecast in all major categories in January. Individual Income Tax collections benefited from gains in both Estimated Payments and Payroll Withholding. Sales Tax collection growth remained high in January compared to year ago and forecast. Corporate Income Tax collections were below year ago but above forecast.

Among smaller revenue sources, Tobacco was above forecast by \$1.3 million and above year ago collections. Results in Gaming revenue were above forecast for the month by \$0.2 million.

**January Gross General Revenues:** January collections total \$782.0 million, an increase of \$60.0 million or 8.3 percent above last year and \$174.4 million or 28.7 percent above forecast. Gains in Gross revenue from collections were broad-based in January.

**January Individual Income Tax** collections total \$445.8 million. Collections increased by \$44.5 million or 11.1 percent compared to last year. With respect to the forecast, collections were \$124.0 million or 38.5 percent above forecast. Individual Withholding Tax revenue increased 13.4 percent compared to last year in part from payday timing differences compared to year ago.

**January Individual Income Tax Refunds** total \$0.8 million, \$6.4 million below last year and \$0.8 million below forecast. Refund claims below forecast add to net revenue results.

**January Sales and Use Tax Collections:** January collections total \$268.7 million, an increase of \$31.8 million or 13.4 percent above last year. Collections were above monthly forecast levels by \$34.2 million or 14.6 percent. Major reporting sectors of Sales Tax displayed mixed results compared to year ago, with high growth in Retail Trade, Services, and Transportation. Declines compared to year ago occurred in Motor Vehicles Sales Tax, Utilities, and Accommodation and Food Services (restaurants).

**January Corporate Income Tax** collections total \$29.2 million, a decrease of \$21.9 million from year ago, and \$11.1 million above forecast. Most of the gain compared to forecast was in quarterly Corporate Estimated Payments.

**January Corporate Income Tax Refunds** total \$3.9 million. This amount is \$19.6 million below year ago levels. Refunds were \$16.1 million below forecast.

**January Tobacco Tax** collections, a smaller component of general revenue in annual terms, total \$15.8 million. Collections increased by \$0.9 million from year earlier levels and were above forecast by \$1.3 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 2022, \$56.8 million was collected and deposited to the fund. After deductions, the net amount is \$55.1 million. The monthly collection is equivalent to an 11.6 percent increase from prior year collections.

C: /FISCNOT/January FY 2022  
Attachment (2)

# January 2022 Year-to-Date General Revenue Report

## Economic Analysis and Tax Research, DFA

Forecast Date: 12/16/21

Millions of \$

	Actual Jan FY21	Forecast Jan FY22	Actual Jan FY22	<u>Change from Forecast</u>		<u>Change from Last Year</u>	
				Dollar Difference	Percent Difference	Dollar Difference	Percent Difference
Individual Income	2,173.0	2,000.6	2,141.3	140.7	7.0	-31.6	-1.5
Corporate Income	314.7	365.4	401.2	35.8	9.8	86.5	27.5
Sales & Use	1,629.4	1,776.4	1,824.0	47.6	2.7	194.6	11.9
Alcohol	39.4	41.5	42.6	1.1	2.7	3.3	8.3
Tobacco	131.2	126.2	129.3	3.1	2.5	-1.9	-1.4
Insurance	46.4	49.3	49.8	0.5	1.0	3.4	7.4
Racing	0.6	0.7	0.6	-0.1	-16.6	0.0	5.9
Gaming	18.0	24.3	24.4	0.1	0.4	6.4	35.9
Severance	4.2	6.7	7.7	1.0	15.0	3.5	82.3
Franchise	8.0	8.0	8.0	0.0	0.0	0.0	0.0
Real Estate Transfer	2.6	2.6	2.6	0.0	0.3	0.0	0.0
Miscellaneous	52.0	45.1	46.5	1.4	3.1	-5.5	-10.7
<b>Total Gross</b>	<b>4,419.4</b>	<b>4,446.8</b>	<b>4,678.0</b>	<b>231.2</b>	<b>5.2</b>	<b>258.6</b>	<b>5.9</b>
LESS: (SCSF/COF) <sup>1</sup>	137.0	135.5	145.0	9.5	7.0	8.0	5.9
Individual Income Refunds	134.7	102.6	102.4	-0.2	-0.2	-32.4	-24.0
Corporate Income Refunds	48.1	41.7	25.1	-16.6	-39.7	-23.0	-47.8
Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Econ Development Incentive	5.3	9.4	7.0	-2.4	-26.0	1.7	32.1
Amendment 82 Bonds	1.0	1.0	1.0	0.0	-2.8	0.0	-4.2
Recycling Tax 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	3.0	2.7	2.7	0.0	1.8	-0.2	-8.3
City & County Tourist	0.7	0.7	0.7	0.0	-4.9	0.0	0.0
Educational Excellence	203.3	230.4	230.5	0.1	0.0	27.2	13.4
Educational Adequacy	18.0	20.3	20.4	0.1	0.4	2.4	13.4
Highway Casino Transfer	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Deductions</b>	<b>559.8</b>	<b>553.1</b>	<b>543.5</b>	<b>-9.6</b>	<b>-1.7</b>	<b>-16.3</b>	<b>-2.9</b>
<b>Net Available</b>	<b>3,859.5</b>	<b>3,893.7</b>	<b>4,134.5</b>	<b>240.8</b>	<b>6.2</b>	<b>275.0</b>	<b>7.1</b>

### Revenue Forecast Summary for the Month

January Year-to-Date Gross:	\$ 231.2 Million OR 5.2% Above Forecast
January Year-to-Date Net Available:	\$ 240.8 Million OR 6.2% Above Forecast

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

## January 2022 General Revenue Report Economic Analysis and Tax Research, DFA

Forecast Date: 12/16/21

Millions of \$

	Actual Jan FY21	Forecast Jan FY22	Actual Jan FY22	<u>Change from Forecast</u>		<u>Change from Last Year</u>	
				Dollar Difference	Percent Difference	Dollar Difference	Percent Difference
Individual Income	401.3	321.8	445.8	124.0	38.5	44.5	11.1
Corporate Income	51.0	18.1	29.2	11.1	61.1	-21.9	-42.9
Sales & Use	236.9	234.5	268.7	34.2	14.6	31.8	13.4
Alcohol	5.6	5.3	6.4	1.1	21.6	0.9	15.9
Tobacco	14.9	14.5	15.8	1.3	8.9	0.9	6.0
Insurance	0.1	0.1	0.2	0.1	103.5	0.1	56.8
Racing	0.1	0.1	0.1	0.0	-10.3	0.0	-31.5
Gaming	2.7	3.4	3.6	0.2	6.7	0.9	34.1
Severance	0.6	0.4	0.9	0.5	129.8	0.3	51.9
Franchise	-1.0	0.0	0.0	0.0	0.0	1.0	-100.0
Real Estate Transfer	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	9.6	9.4	11.3	1.9	19.8	1.7	17.5
<b>Total Gross</b>	<b>722.0</b>	<b>607.6</b>	<b>782.0</b>	<b>174.4</b>	<b>28.7</b>	<b>60.0</b>	<b>8.3</b>
LESS: (SCSF/COF) <sup>1</sup>	22.4	19.3	24.2	4.9	25.6	1.9	8.3
Individual Income Refunds	7.2	1.6	0.8	-0.8	-50.2	-6.4	-88.9
Corporate Income Refunds	23.5	20.0	3.9	-16.1	-80.3	-19.6	-83.2
Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Econ Development Incentive	0.0	2.8	0.3	-2.5	-87.8	0.3	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
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	29.0	32.9	32.9	0.0	0.1	3.9	13.4
Educational Adequacy	2.6	2.9	2.9	0.0	0.4	0.3	13.4
Highway Casino Transfer	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Deductions</b>	<b>86.2</b>	<b>80.9</b>	<b>66.6</b>	<b>-14.3</b>	<b>-17.7</b>	<b>-19.6</b>	<b>-22.7</b>
<b>Net Available</b>	<b>635.8</b>	<b>526.7</b>	<b>715.4</b>	<b>188.7</b>	<b>35.8</b>	<b>79.6</b>	<b>12.5</b>

### Revenue Forecast Summary for the Month

January Gross: \$ 174.4 Million OR 28.7% Above Forecast  
January Net Available: \$ 188.7 Million OR 35.8% Above Forecast

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