



STATE OF ARKANSAS  
**Department of Finance  
and Administration**

**Economic Analysis and Tax Research**  
1509 West Seventh Street, Suite 404  
Post Office Box 3278  
Little Rock, Arkansas 72203-3278  
Phone: (501) 682-5495  
Fax: (501) 682-1086  
[www.arkansas.gov/dfa](http://www.arkansas.gov/dfa)

**MEMORANDUM**

TO: Jim Hudson, Secretary  
Robert Brech, Deputy Director

FROM: Economic Analysis & Tax Research

SUBJECT: **General Revenue Report for January 2025 (FY 2025)**

DATE: February 4, 2025 Copy: Governor's Office

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**YEAR-TO-DATE REVENUE SUMMARY**

**Net Available General Revenues** total \$3,997.8 million, \$98.8 million or 2.4 percent below year ago levels. After seven months into the fiscal year, net available revenue is above forecast by \$44.0 million or 1.1 percent.

**Gross General Revenues** total \$4,696.2 million, representing a decrease of \$164.5 million or 3.4 percent below last year. Gross general revenues are above forecast by \$46.9 million or 1.0 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 \$2,017.1 million, \$93.1 million or 4.4 percent below FY 2024 collections and \$52.2 million or 2.7 percent above forecast.

**Individual Income Tax Refunds** total \$164.7 million, down \$67.8 million or 29.2 percent compared to last year and \$9.3 million or 5.3 percent below forecast.

**Sales and Use Tax** collections total \$2,067.5 million, an increase of \$22 million or 1.1 percent above FY 2024 and \$1.5 million or 0.1 percent less than forecast.

**Corporate Income Tax** collections total \$292.5 million, a decrease of \$99.8 million from year-to-date FY 2024. Corporate income tax is below forecast by \$7.1 million or 2.4 percent.

**Corporate Income Tax Refunds** total \$68.6 million, an increase of \$3.9 million compared to the same year-to-date period last year.

## JANUARY REVENUE SUMMARY

**Net Available General Revenues** total \$634.2 million, \$33.1 million or 5.0 percent lower than last year and \$15.3 million or 2.5 percent above forecast. Net Available revenue results are above forecast primarily due to Individual and Corporate Income Tax Collections.

Among smaller revenue sources, Tobacco is above forecast by \$0.5 million but lower than year ago collections.

**Gross General Revenues** total \$722.7 million, \$45.0 million or 5.9 percent lower than last year and \$17.5 million or 2.5 percent above forecast.

**Individual Income Tax** collections total \$349.9 million. Collections decreased by \$29.9 million, or 7.9 percent compared to last year reflecting the downward impact of one less payday on withholding collections. Compared to the forecast, collections are \$13.7 million, or 4.1 percent, above forecast.

**Individual Income Tax Refunds** total \$3.6 million, \$3.5 million below last year and \$1.4 million under forecast.

**Sales and Use Tax** collections total \$298.3 million, \$3.9 million, or 1.3 percent, lower than last year and \$9.4 million, or 3.0 percent, under forecast.

**Corporate Income Tax** collections total \$41.9 million, a decrease of \$12.4 million from year ago, and \$11.7 million higher than forecast.

**Corporate Income Tax Refunds** total \$18.4 million, an amount that is \$7.2 million lower than year ago levels. Refunds are \$4.5 million over forecast.

**Tobacco Tax** collections, a smaller component of general revenue in annual terms, total \$14.3 million. Collections decreased by \$0.4 million from year earlier levels and are above forecast by \$0.5 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 2025, \$63.3 million is collected and deposited to the fund. After deductions, the net amount is \$61.5 million. The monthly collection is equivalent to a 0.6 percent decrease from prior year collections.

Q: /Daily Report PDF Files/FY2025/07 January  
Attachment (2)

# January 2025 Year-to-Date General Revenue Report

## Economic Analysis and Tax Research, DFA

Forecast Date: 11/14/24

Millions of \$

				<u>Change from Forecast</u>		<u>Change from Last Year</u>	
	Actual	Forecast	Actual	Dollar	Percent	Dollar	Percent
	Jan FY24	Jan FY25	Jan FY25	Difference	Difference	Difference	Difference
Individual Income	2,110.2	1,964.9	2,017.1	52.2	2.7	-93.1	-4.4
Corporate Income	392.2	299.6	292.5	-7.1	-2.4	-99.8	-25.4
Sales & Use	2,045.6	2,069.0	2,067.5	-1.5	-0.1	22.0	1.1
Alcohol	44.1	44.5	44.4	-0.1	-0.1	0.3	0.7
Tobacco	115.6	111.3	109.4	-1.9	-1.7	-6.2	-5.4
Insurance	56.9	61.5	62.9	1.4	2.3	6.0	10.6
Racing	0.7	0.6	0.6	0.0	-5.3	-0.1	-14.5
Gaming	30.8	31.9	32.4	0.5	1.5	1.6	5.2
Severance	7.6	6.9	6.8	-0.1	-0.9	-0.7	-9.7
Franchise	7.7	8.0	8.0	0.0	0.0	0.3	3.6
Real Estate Transfer	2.6	2.6	2.6	0.0	0.3	0.0	0.0
Miscellaneous	46.6	48.5	51.8	3.3	6.8	5.2	11.1
<b>Total Gross</b>	<b>4,860.7</b>	<b>4,649.3</b>	<b>4,696.2</b>	<b>46.9</b>	<b>1.0</b>	<b>-164.5</b>	<b>-3.4</b>
LESS: (SCSF/COF) <sup>1</sup>	150.7	139.3	140.6	1.3	0.9	-10.1	-6.7
Individual Income Refunds	232.5	174.0	164.7	-9.3	-5.3	-67.8	-29.2
Corporate Income Refunds	64.7	56.4	68.6	12.2	21.6	3.9	6.0
Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Econ Development Incentive	6.3	10.5	9.2	-1.3	-12.0	3.0	47.2
Amendment 82 Bonds	0.9	0.8	0.8	0.0	1.8	0.0	-5.6
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	2.3	1.9	1.9	0.0	-1.9	-0.4	-17.3
City & County Tourist	0.7	0.7	0.7	0.0	-4.9	0.0	0.0
Educational Excellence	273.2	278.5	278.5	0.0	0.0	5.2	1.9
Educational Adequacy	24.2	24.6	24.6	0.0	0.1	0.5	1.9
Highway Casino Transfer	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Deductions</b>	<b>764.1</b>	<b>695.5</b>	<b>698.3</b>	<b>2.8</b>	<b>0.4</b>	<b>-65.8</b>	<b>-8.6</b>
<b>Net Available</b>	<b>4,096.6</b>	<b>3,953.8</b>	<b>3,997.8</b>	<b>44.0</b>	<b>1.1</b>	<b>-98.8</b>	<b>-2.4</b>

### Revenue Forecast Summary for the Month

January Year-to-Date Gross: \$ 46.9 Million OR 1.0% Above Forecast  
 January Year-to-Date Net Available: \$ 44.0 Million OR 1.1% Above Forecast

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

**January 2025 General Revenue Report**  
**Economic Analysis and Tax Research, DFA**

Forecast Date: 11/14/24

Millions of \$

	Actual Jan FY24	Forecast Jan FY25	Actual Jan FY25	<u>Change from Forecast</u>		<u>Change from Last Year</u>	
				Dollar	Percent	Dollar	Percent
				Difference	Difference	Difference	Difference
Individual Income	379.8	336.2	349.9	13.7	4.1	-29.9	-7.9
Corporate Income	54.3	30.2	41.9	11.7	38.8	-12.4	-22.8
Sales & Use	302.3	307.7	298.3	-9.4	-3.0	-3.9	-1.3
Alcohol	6.4	6.7	6.3	-0.4	-5.5	-0.1	-1.6
Tobacco	14.6	13.8	14.3	0.5	3.3	-0.4	-2.7
Insurance	0.6	0.6	0.4	-0.2	-36.0	-0.2	-38.2
Racing	0.1	0.1	0.2	0.1	63.9	0.0	36.5
Gaming	5.0	5.2	4.9	-0.3	-5.3	-0.1	-1.0
Severance	1.1	1.0	0.8	-0.2	-17.1	-0.2	-22.4
Franchise	1.2	0.8	0.4	-0.4	-47.9	-0.8	-66.3
Real Estate Transfer	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	2.2	2.9	5.3	2.4	82.3	3.0	135.8
<b>Total Gross</b>	<b>767.7</b>	<b>705.2</b>	<b>722.7</b>	<b>17.5</b>	<b>2.5</b>	<b>-45.0</b>	<b>-5.9</b>
LESS: (SCSF/COF) <sup>1</sup>	23.8	21.2	21.7	0.5	2.3	-2.1	-8.9
Individual Income Refunds	7.1	5.0	3.6	-1.4	-27.7	-3.5	-49.2
Corporate Income Refunds	25.6	13.9	18.4	4.5	32.7	-7.2	-28.0
Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Econ Development Incentive	0.0	1.5	0.0	-1.5	-100.0	0.0	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	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	39.0	39.8	39.8	0.0	-0.1	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>100.4</b>	<b>86.3</b>	<b>88.5</b>	<b>2.2</b>	<b>2.5</b>	<b>-12.0</b>	<b>-11.9</b>
<b>Net Available</b>	<b>667.3</b>	<b>618.9</b>	<b>634.2</b>	<b>15.3</b>	<b>2.5</b>	<b>-33.1</b>	<b>-5.0</b>

Revenue Forecast Summary for the Month

January Gross: \$ 17.5 Million OR 2.5% Above Forecast  
January Net Available: \$ 15.3 Million OR 2.5% Above Forecast

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