



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 March 2025 (FY 2025)**

DATE: April 2, 2025 Copy: Governor's Office

---

**YEAR-TO-DATE REVENUE SUMMARY**

**Net Available General Revenues** total \$4,817.6 million, \$53.7 million or 1.1 percent below year ago levels. After nine months into the fiscal year, net available revenue is above forecast by \$131.7 million or 2.8 percent.

**Gross General Revenues** total \$5,911.9 million, representing a decrease of \$188.6 million or 3.1 percent below last year. Gross general revenues are above forecast by \$46.8 million or 0.8 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 \$2,569.4 million, \$89.3 million or 3.4 percent below FY 2024 collections and \$64.5 million or 2.6 percent above forecast.

**Individual Income Tax Refunds** total \$395.0 million, down \$123.2 million or 23.8 percent compared to last year and \$97.2 million or 19.7 percent below forecast.

**Sales and Use Tax** collections total \$2,616.6 million, an increase of \$17.7 million or 0.7 percent above FY 2024 and \$2.0 million or 0.1 percent less than forecast. The year-to-date forecast included an expectation of a Tax Back refund that would impact general revenue by \$20 million. It is now anticipated to occur later in the fiscal year.

**Corporate Income Tax** collections total \$321.5 million, a decrease of \$121.3 million from year-to-date FY 2024. Corporate income tax is below forecast by \$16.8 million or 5.0 percent.

**Corporate Income Tax Refunds** total \$92.2 million, a decrease of \$15.7 million compared to the same year-to-date period last year.

## MARCH REVENUE SUMMARY

**Net Available General Revenues** total \$431.4 million, \$20.6 million or 4.6 percent lower than last year and \$26.7 million or 6.6 percent above forecast. Net Available revenue results are above forecast primarily due to Individual Income Tax Refunds being less than expected.

**Gross General Revenues** total \$638.3 million, \$50.6 million or 7.3 percent lower than last year and \$27.4 million or 4.1 percent below forecast. Results below forecast are primarily due to weaker sales tax collections than projected. All other revenues combined to be within \$1 million of forecast.

**Individual Income Tax** collections total \$281.9 million. Collections decreased by \$20.8 million, or 6.9 percent compared to last year, reflecting a rate reduction in withholding and the impact of one less payday on withholding collections. Compared to the forecast, collections are \$2.6 million, or 0.9 percent, above forecast.

**Individual Income Tax Refunds** total \$132.4 million, \$24.1 million below last year and \$41.9 million under forecast.

**Sales and Use Tax** collections total \$275.5 million, \$19.8 million, or 6.7 percent, lower than last year and \$26.6 million, or 8.8 percent, under forecast. Declines were reported in most major categories. However, motor vehicle sales tax collections were up 27.7 percent. Sales tax collection results include a one-time refund of \$2.5 million for a tax period in a previous year.

**Corporate Income Tax** collections total \$26.9 million, a decrease of \$9.1 million from year ago, and \$1.7 million lower than forecast.

**Corporate Income Tax Refunds** total \$3.2 million, an amount that is \$6.7 million lower than year ago levels. Refunds are \$12.3 million less than forecast.

**Tobacco Tax** collections, a smaller component of general revenue in annual terms, total \$13.6 million. Collections decreased by \$1.9 million from year earlier levels and are less than forecast by \$1.0 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 March 2025, \$62.5 million is collected and deposited to the fund. After deductions, the net amount is \$60.7 million. The monthly collection is equivalent to a 0.2 percent increase from prior year collections.

Q: /Daily Report PDF Files/FY2025/09 March  
Attachment (2)

**March 2025 Year-to-Date General Revenue Report**  
**Economic Analysis and Tax Research, DFA**

Forecast Date: 11/14/24

Millions of \$

	Actual Mar FY24	Forecast Mar FY25	Actual Mar FY25	<u>Change from Forecast</u>		<u>Change from Last Year</u>	
				Dollar	Percent	Dollar	Percent
				Difference	Difference	Difference	Difference
Individual Income	2,658.8	2,504.9	2,569.4	64.5	2.6	-89.3	-3.4
Corporate Income	442.9	338.3	321.5	-16.8	-5.0	-121.3	-27.4
Sales & Use	2,598.9	2,618.6	2,616.6	-2.0	-0.1	17.7	0.7
Alcohol	55.2	55.9	55.2	-0.7	-1.2	0.1	0.1
Tobacco	145.6	139.5	137.0	-2.5	-1.8	-8.6	-5.9
Insurance	86.3	92.7	93.7	1.0	1.1	7.4	8.6
Racing	1.1	1.0	1.0	0.0	-3.6	-0.1	-9.1
Gaming	40.7	42.0	42.9	0.9	2.1	2.2	5.4
Severance	9.3	8.4	8.1	-0.3	-4.0	-1.3	-13.5
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	51.2	53.2	55.9	2.7	5.1	4.7	9.1
<b>Total Gross</b>	<b>6,100.5</b>	<b>5,865.1</b>	<b>5,911.9</b>	<b>46.8</b>	<b>0.8</b>	<b>-188.6</b>	<b>-3.1</b>
LESS: (SCSF/COF) <sup>1</sup>	189.0	175.8	177.1	1.3	0.7	-11.9	-6.3
Individual Income Refunds	518.2	492.2	395.0	-97.2	-19.7	-123.2	-23.8
Corporate Income Refunds	107.9	83.9	92.2	8.3	9.9	-15.7	-14.5
Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Econ Development Incentive	8.7	13.5	15.4	1.9	14.1	6.8	78.1
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	11.2	11.2	11.2	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	0.7	0.7	0.7	0.0	-4.9	0.0	0.0
Educational Excellence	351.3	358.1	358.0	-0.1	0.0	6.7	1.9
Educational Adequacy	31.1	31.6	31.6	0.0	0.2	0.6	1.9
Highway Casino Transfer	8.2	9.5	10.3	0.8	8.9	2.2	26.9
<b>Total Deductions</b>	<b>1,229.1</b>	<b>1,179.2</b>	<b>1,094.2</b>	<b>-85.0</b>	<b>-7.2</b>	<b>-134.9</b>	<b>-11.0</b>
<b>Net Available</b>	<b>4,871.4</b>	<b>4,685.9</b>	<b>4,817.6</b>	<b>131.7</b>	<b>2.8</b>	<b>-53.7</b>	<b>-1.1</b>

Revenue Forecast Summary for the Month

March Year-to-Date Gross: \$ 46.8 Million OR 0.8% Above Forecast  
 March Year-to-Date Net Available: \$ 131.7 Million OR 2.8% Above Forecast

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

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

Forecast Date: 11/14/24

Millions of \$

	Actual Mar FY24	Forecast Mar FY25	Actual Mar FY25	<u>Change from Forecast</u>		<u>Change from Last Year</u>	
				Dollar	Percent	Dollar	Percent
				Difference	Difference	Difference	Difference
Individual Income	302.7	279.3	281.9	2.6	0.9	-20.8	-6.9
Corporate Income	36.0	28.6	26.9	-1.7	-5.9	-9.1	-25.3
Sales & Use	295.3	302.1	275.5	-26.6	-8.8	-19.8	-6.7
Alcohol	5.8	6.0	5.7	-0.3	-4.3	-0.1	-1.6
Tobacco	15.5	14.6	13.6	-1.0	-6.5	-1.9	-12.0
Insurance	24.7	26.4	26.3	-0.1	-0.4	1.6	6.3
Racing	0.2	0.2	0.3	0.1	40.7	0.1	37.1
Gaming	5.2	5.4	5.3	-0.1	-2.7	0.0	0.3
Severance	0.9	0.8	0.4	-0.4	-52.6	-0.6	-59.6
Franchise	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Real Estate Transfer	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	2.3	2.3	2.4	0.1	2.4	0.0	1.1
<b>Total Gross</b>	<b>688.8</b>	<b>665.7</b>	<b>638.3</b>	<b>-27.4</b>	<b>-4.1</b>	<b>-50.6</b>	<b>-7.3</b>
LESS: (SCSF/COF) <sup>1</sup>	21.2	20.0	19.1	-0.9	-4.3	-2.0	-9.7
Individual Income Refunds	156.5	174.3	132.4	-41.9	-24.0	-24.1	-15.4
Corporate Income Refunds	9.8	15.5	3.2	-12.3	-79.7	-6.7	-68.0
Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Econ Development Incentive	0.6	1.5	2.6	1.1	71.1	2.0	353.6
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	0.0	0.0	0.0	0.0	0.0	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	5.1	5.2	5.1	-0.1	-2.0	0.0	0.4
<b>Total Deductions</b>	<b>236.9</b>	<b>261.0</b>	<b>206.9</b>	<b>-54.1</b>	<b>-20.7</b>	<b>-30.0</b>	<b>-12.6</b>
<b>Net Available</b>	<b>452.0</b>	<b>404.7</b>	<b>431.4</b>	<b>26.7</b>	<b>6.6</b>	<b>-20.6</b>	<b>-4.6</b>

Revenue Forecast Summary for the Month

March Gross: \$ 27.4 Million OR 4.1% Below Forecast  
 March Net Available: \$ 26.7 Million OR 6.6% Above Forecast

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