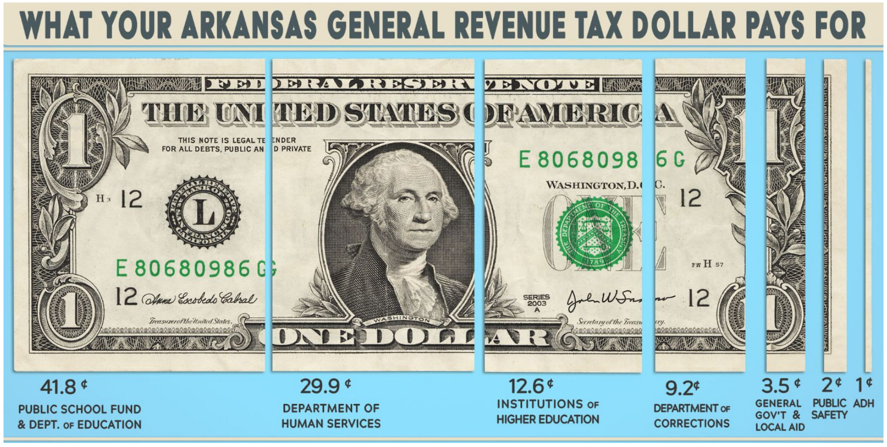
STATE OF ARKANSAS
House of Representatives

Arkansas House Newsletter

July 7, 2023

2023 Revenue Report Shows Growing Economy



This week we received the Fiscal Year 2023 Revenue Summary. It shows we ended the fiscal year with the second largest surplus in state history.

Results from collections and distributions for FY 2023 reached $7.185 billion. That is $1.161 billion in excess of full funding level for the Revenue Stabilization Act representing a surplus.

The 2023 fiscal year ended above forecast in all major categories of collections and above year ago levels in sales tax collections. This broad-based gain resulted from another year of high growth in sales tax collections and less decline in income tax categories than expected from tax rate reductions.

The 94th General Assembly passed Act 532 which reduced the state's top income tax rate from 4.9% to 4.7%. While individual income tax collection was less than the previous year it was still $42.4 million above what economic forecasters predicted.

Sales and Use tax collections for FY 2023 was $263.6 million or 8.4% over FY 2022. Corporate income taxes saw an increase of $5.3 million or .6% above FY 2022.

In the 2023 Regular Session, the General Assembly passed Act 561 which authorized the transfer from the previous year's unobligated surplus funds and up to $380.6 million in projected surplus funds from this year to the restricted reserve fund. Act 561 prioritizes spending of the restricted reserve fund to educational facilities, correctional facilities, the state crime lab, teacher academy scholarships, and the UAMS National Cancer Institute Designation Trust Fund.

Revenue reports help guide our decision making when it comes to state spending and tax reduction.

The FY 2023 Revenue Report shows us that our state's economy is growing and outperforming expectations. In fact, for the month of June alone revenues were above forecast and year ago levels in all major categories.

You can read report here: June 2023 General Revenue Report.pdf