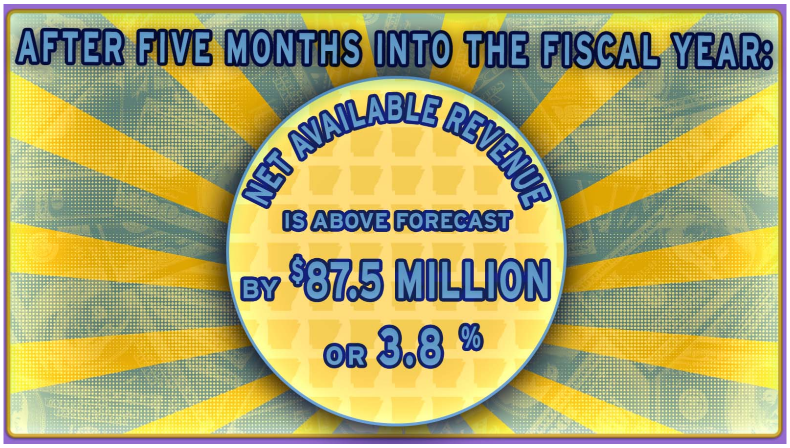
STATE OF ARKANSAS
House of Representatives

Arkansas House Newsletter

December 6, 2019

Arkansas Revenue Reports



Monthly revenue reports help give us a picture of the state’s economy. It helps show us if Arkansans are making more, spending more, and if businesses are doing well.

Recent reports have created an optimistic outlook.

Five months into the fiscal year, general revenue for the state continues to exceed expectations. In fact, more gross general revenue was collected this November than any November in state history.

November collections totaled $515.2 million. That is $23 million more than November 2018.

Sales tax collections are contributing to the increase in general revenue. This month the revenue from sales tax was $9.1 million or 4.5% above last year. On a year to date basis, sales and use taxes are 3.1% more than Fiscal Year 2019.

Legislation passed in the 2019 Regular Session began requiring online retailers to collect and remit taxes on in-state purchases. That legislation went into effect in July of this year.

To date, there has been $104.2 million more in gross general revenue collected than this time last year. That is a 3.9% increase.

Individual income tax collections are $73 million above this time last year. We anticipate income tax revenue to decrease next year as new legislation lowering income tax takes effect. The top rate for income tax will drop from 6.9% to 6.6% on January 1, 2020. It will drop again to 5.9% on January 1, 2021.

Corporate income taxes are also showing an increase from last year.

All of these increases reflect our low unemployment rate and healthy consumer confidence. The unemployment rate in Arkansas is 3.5%, just slightly below the national average.

By monitoring the state's revenue closely, we are able to create a budget that best serves the needs of the public. Budget hearings for the next fiscal year begin March 4. We convene for the 2020 Fiscal Session on April 8.

You can review the monthly revenue reports at www.dfa.arkansas.gov.