



**“We’re in an incredible position in our state with a savings account, with having teacher pay increases, investing the largest amount in a decade in education and still having tax cuts.”**

— Gov. Asa Hutchinson, December 9, after signing historic tax cut legislation

**Arkansas ED Commission**  
1 Commerce Way, STE 601  
Little Rock, AR 72202  
**Mike Preston**  
SECY. COMMERCE/EXEC. DIR.  
501-682-7351

**arkansasedc.com**

# Arkansas

Pop. (2021): 3,116,869  
Median household income (2021): \$49,048  
Credit Rating: AA / Stable

Pop. growth 2021–2026: 0.53%  
Median age (2021): 39.2  
Right-to-work state: Yes

## LEGISLATIVE UPDATE

In mid-December, Gov. Hutchinson signed into law the biggest tax cut in state history. Combined, the two bills are to provide tax relief totaling approximately \$500 million a year when all provisions take hold in 2025. Under the two new laws, Arkansas is to cut its top income tax rate from 5.9% to 4.9 over three years. The tax cut is to include a \$60 credit for low-income Arkansans, thus eliminating taxes for more than 100,000 people.

As a result of the new laws, corporate tax rates will shrink, as well. The top corporate rate is to drop from the current 6.2% to 5.3% in 2025, provided that state meets certain revenue goals.

The governor also signed HB1007 and SB10, both of which would provide tax incentives to U.S. Steel, should it expand its presence in northeast Arkansas with a \$3 billion electric arc furnace. The tax credit would apply to waste reduction, reuse, or recycling equipment, with the bill adding steel mill facilities as a qualified growth project. The credit would provide as much as \$11 million a year and could increase to \$27.5 million per year.



**44<sup>th</sup>**

Business Tax Climate Rank Change 2021–2022: +2



**38<sup>th</sup>**

Higher Ed. R&D Expenditure in \$000s: 311,100



**18<sup>th</sup>**

Number of NCRs: 86,073 | Percent Improvement 2020–2021: 3.26%



**49<sup>th</sup>**

2021 Workers' Comp Index Rate: 0.72



**20<sup>th</sup>**

Industrial power cost per kWh: \$7.07



**34<sup>th</sup>**

Total Revenue as Share of Total Expenses, FY 2004–2019: 102%

## PROJECT WATCH



Little Rock, Arkansas  
Photo: Getty Images

**V**irginia-based Trex Company, a maker of wood-alternative decking and high-performance, low-maintenance outdoor living products, announced plans in October to develop a production site in Little Rock, the company's third in the U.S. Trex plans to invest \$400 million over the next five years.

The Trex campus, on nearly 300 acres (120 hectares) at the Port of Little Rock, is to eventually include buildings dedicated to decking and railing production, plastic film recycling and processing, reclaimed wood storage, warehousing and administrative offices. Construction, the company said, is to commence in early 2022. Site consultants Global Location Strategies (GLS) led the search process for Trex and provided incentive negotiation services.

“The State of Arkansas, City of Little Rock and Port of Little Rock have worked tirelessly to make this a reality,” said GLS President Didi Caldwell. “Projects of

this size include a multitude of complexities, and the state and local teams' coordination delivered a site and location that will enable Trex to produce quality product for decades to come.”

Trex says the project will eventually bring 500 jobs to the Little Rock area. Little Rock emerged as the best fit, the company says, for its proximity to raw materials, strong pool of qualified and skilled labor, proximity to key growth regions for wood conversion and access to major transportation hubs.

“This new site represents a strategic investment not only in our company's future but in the future success of our valued channel partners,” said Trex Company President and CEO Bryan Fairbanks. “With the outdoor living category continuing to show strong momentum and our success to-date in converting share from the wood decking market, the time is right to further expand our capacity so that we can meet future customer demand efficiently and effectively.”



# BUSINESS SUCCEEDS HERE

“Hytrol has been in Jonesboro, Arkansas, since 1962. We began with 28 employees and have grown to more than 1,200 employees in that location. When it came time to expand with an additional production facility, it was an easy decision to stay in Arkansas.”

David Peacock, President  
Hytrol



Scan to see how Hytrol is meeting unprecedented demand by expanding its operations in Arkansas. Learn more about doing business in the state at [ArkansasEDC.com/whyarkansas](http://ArkansasEDC.com/whyarkansas).