



STATE OF ARKANSAS
ASA HUTCHINSON
GOVERNOR

February 28, 2017

Senator Larry Teague, Co-Chair
 Representative Lane Jean, Co-Chair
 Joint Budget Committee
 Arkansas General Assembly
 State Capitol Building
 Little Rock, AR 72201

Dear Co-Chairs:

I respectfully request amendment to HB1243, the 2017-2018 Annual Operations Appropriation Bill for the Department of Finance and Administration – Revenue Services Division.

Please amend SECTION 1. REGULAR SALARIES as follows:

Item Class	No. of	Maximum Annual
No. Code Title	Employees	Salary Rate
		Fiscal Year
		2017-2018
(13) G047C ATTORNEY SPECIALIST	12 13	GRADE C126
(18) A033C TAX AUDITOR SUPERVISOR	27 28	GRADE C123
(22) A054C TAX AUDITOR II	176 181	GRADE C120
(26) A074C FISCAL SUPPORT SUPERVISOR	4 5	GRADE C118
(33) A091C FISCAL SUPPORT ANALYST	21 23	GRADE C115
(45) C059C DFA SERVICE REPRESENTATIVE	669 673	GRADE C111
MAX. NO. OF EMPLOYEES	1463 1477	

Please amend SECTION 3. APPROPRIATION – REVENUE SERVICES DIVISION – OPERATIONS as follows:

ITEM	FISCAL YEAR
NO.	2017-2018
(01) REGULAR SALARIES	\$50,368,708 \$50,852,532
(03) PERSONAL SERVICES MATCHING	18,992,040 19,137,187
(05) MAINT. & GEN. OPERATION	

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(A) OPER. EXPENSE	27,232,184	<u>27,250,000</u>
(D) CAP. OUTLAY	500,000	<u>550,000</u>
TOTAL AMOUNT APPROPRIATED	\$98,079,848	<u>\$98,776,635</u>

The passage of Issue 6, Arkansas Medical Marijuana Amendment (AMMA), has created new responsibilities for the Arkansas Department of Finance and Administration Revenue Services Division. Under the AMMA, sales of medical marijuana will be subject to state and local sales taxes. The fourteen (14) additional positions responsibilities are not limited to, but include collections and audit of both sales and withholding taxes that cannot be made online through the ATAP system (cash-based business).

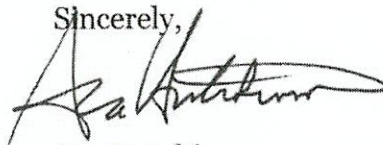
Please amend SECTION 11. APPROPRIATION – REVENUE MISCELLANEOUS CASH as follows:

ITEM	FISCAL YEAR	
NO.	2017-2018	
(01)DISTRIBUTION OF FEES/SERVICE CHARGES	\$5,000,000	<u>\$12,000,000</u>

This request allows for the increase in fees collected and remitted for the E911 services charges levied on states of prepaid wireless mobile radio (cell phone) telecommunications services. ACA §12-10-326(f) states that the Department of Finance and Administration (DFA) shall pay all remitted prepaid wireless E911 charges within thirty (30) days of receipt to the Arkansas Emergency Telephone Services Board for use by the board under ACA §12-10-318(c).

I appreciate your consideration of this matter.

Sincerely,



Asa Hutchinson

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