



STATE OF ARKANSAS  
**Department of Finance  
and Administration**

**Exhibit C**  
**OFFICE OF THE DIRECTOR**  
1509 West Seventh Street, Suite 401  
Post Office Box 3278  
Little Rock, Arkansas 72203-3278  
Phone: (501) 682-2242  
Fax: (501) 682-1029  
<http://www.dfa.arkansas.gov>

April 14, 2014

The Honorable Bruce Maloch, Co-Chair  
The Honorable Joe Jett, Co-Chair  
Joint Committee on Economic and Tax Policy  
171 State Capitol  
Little Rock, Arkansas 72201

Dear Senator Maloch and Representative Jett:

Fiscal year 2014 to date revenue collections and current April collections do not indicate base changes in future economic growth. Preliminary evaluations of April collection results are consistent with prior expectations of the unwinding of the income tax shift.

Currently, we do not anticipate a significant change in the economic indicators to warrant adjustment in the Official Revenue Forecast for either FY 2014 or FY 2015. We routinely monitor changes in these indicators as well as changes in U.S. and Arkansas forecasts of indicators of state revenue. The modest economic recovery is continuing and revenue growth is encouraging, but significant adjustments above or below the current growth profile are not justified. Technical adjustments, both positive and negative, are also within the margin of forecast error and are not needed at this time.

We will continue to carefully monitor the economic situation and revenue collection performance to determine if further adjustments are needed.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard A. Weiss".

Richard A. Weiss  
Director

RAW/jps  
Attachments (1)

**OFFICIAL GENERAL REVENUE FORECAST  
2013 - 2015 Biennium**

Millions of Dollars

	Actual	FY 13 Increase	% CH	12/01/13 Estimate	FY 14 Increase	% CH	12/01/13 Estimate	FY 15 Increase	% CH
INDIVIDUAL INCOME	3,144.4	249.2	8.6	3,076.8	-67.6	-2.1	3,173.4	96.6	3.1
CORPORATE INCOME	431.1	-4.1	-1.0	442.4	11.3	2.6	450.2	7.8	1.8
SALES AND USE	2,124.5	22.5	1.1	2,184.4	59.9	2.8	2,208.0	23.6	1.1
ALCOHOLIC BEVERAGE	52.6	1.8	3.6	53.2	0.6	1.1	54.0	0.8	1.5
TOBACCO	230.3	-9.6	-4.0	221.7	-8.6	-3.7	214.7	-7.0	-3.2
INSURANCE	109.9	10.6	10.7	102.1	-7.8	-7.1	112.2	10.1	9.9
RACING	3.0	-0.4	-12.0	2.6	-0.4	-12.5	2.5	-0.1	-3.8
GAMES OF SKILL	35.9	8.5	31.0	39.1	3.2	8.9	40.7	1.6	4.1
SEVERANCE	21.9	-1.2	-5.0	24.0	2.1	9.8	22.9	-1.1	-4.6
CORPORATE FRANCHISE	8.0	0.0	0.0	8.0	0.0	0.0	8.0	0.0	0.0
REAL ESTATE TRANSFER	2.6	0.0	0.0	2.6	0.0	-0.3	2.6	0.0	0.0
MISCELLANEOUS	50.0	12.7	33.9	46.8	-3.2	-6.4	44.4	-2.4	-5.1
<b>TOTAL GROSS</b>	<b>6,214.2</b>	<b>290.0</b>	<b>4.9</b>	<b>6,203.7</b>	<b>-10.5</b>	<b>-0.2</b>	<b>6,333.6</b>	<b>129.9</b>	<b>2.1</b>
LESS: SCS/COF	204.7	9.3	4.8	204.7	0.0	0.0	209.0	4.3	2.1
INDIVIDUAL REFUNDS	494.8	1.5	0.3	534.7	39.9	8.1	553.5	18.8	3.5
CORP REFUNDS	55.6	-1.1	-1.9	59.5	3.9	6.9	60.5	1.0	1.7
CLAIMS RESERVE	0.0	0.0	0.0	10.0	10.0	0.0	10.0	0.0	0.0
ECON DEV INCENTIVE	10.6	-6.0	-36.1	23.4	12.8	121.6	23.4	0.0	0.0
WATER/SEWER BONDS	14.8	0.0	0.0	14.8	0.0	0.0	14.8	0.0	0.0
COLL SAVINGS BONDS	23.9	6.2	34.9	24.0	0.1	0.3	24.0	0.0	0.0
MLA CITY/CO TOURIST	2.8	-2.5	-46.7	2.8	0.0	-0.3	2.8	0.0	0.0
EDUC EXCEL TRUST	287.4	7.4	2.6	290.5	3.1	1.1	298.7	8.2	2.8
DESEGREGATION	67.1	-0.9	-1.3	69.8	2.7	4.0	69.8	0.0	0.0
ELDERLY TRANSPORT	0.0	-0.2	-100.0	0.0	0.0	0.0	0.0	0.0	0.0
EDUCATIONAL ADQCY	25.4	0.7	2.6	25.7	0.3	1.1	26.4	0.7	2.7
<b>NET AVAILABLE</b>	<b>5,027.0</b>	<b>275.4</b>	<b>5.8</b>	<b>4,943.8</b>	<b>-83.2</b>	<b>-1.7</b>	<b>5,040.7</b>	<b>96.9</b>	<b>2.0</b>
LESS: SURPLUS TO ALLOTMENT RESERVE FUND	299.5			0.0					
<b>NET AVAILABLE DISTRIBUTION</b>	<b>4,727.5</b>	<b>121.6</b>	<b>2.6</b>	<b>4,943.8</b>	<b>216.3</b>	<b>4.6</b>	<b>5,040.7</b>	<b>96.9</b>	<b>2.0</b>

Prepared by Economic Analysis and Tax Research, DFA  
Net Available Estimate for FY14: 100% of A, B, C plus \$18.9 million Rainy Day Fund.