

**TAX REFORM AND RELIEF LEGISLATIVE TASK FORCE**  
**MEETING MINUTES**  
**JUNE 7, 2017**

The Tax Reform and Relief Legislative Task Force met on Wednesday, June 7, 2017, at 1:30 p.m. in Room A-MAC, Little Rock, Arkansas.

**Task Force members present:** Senators Jonathan Dismang, Joyce Elliott, Jim Hendren, Bart Hester, Missy Irvin, Larry Teague, David Wallace, and Representatives, Frances Cavanaugh, Jim Dotson, Kenneth B. Ferguson, Bob Johnson, Lane Jean, Joe Jett, and Warwick Sabin.

**Other legislators present:** Senators Linda Chesterfield, Jane English, Jake Files, Trent Garner, Jim Hickey, Jr., Bill Sample, Eddie Joe Williams, and Representatives Mary Bentley, David Branscum, Charlie Collins, Andy Davis, Jana Della Rosa, Charlotte Douglas, Dan M. Douglas, Justin Gonzales, Michael John Gray, Michelle Gray, David Hillman, Steve Hollowell, John Maddox, Clint Penzo, Aaron Pilkington, Laurie Rushing, Johnny Rye, James Sorvillo, DeAnn Vaught, Jeff Williams, and Richard Womack.

Representative Jean called the meeting to order.

**Consideration to Approve Minutes from the May 22, 2017, Meeting [Exhibit C]**

The minutes from the May 22, 2017, Tax Reform and Relief Legislative Task Force meeting were approved by acclamation.

**Presentation by Richard Wilson, Assistant Director, Research Services, Bureau of Legislative Research [Exhibit D1]**

Mr. Richard Wilson, Assistant Director, Research Services, Bureau of Legislative Research (BLR), gave a brief overview of the May 2017, Arkansas Revenue Report. Gross general collections increased \$58 million or 1.0%, above last fiscal year's gross collections. Net general revenue available for distribution is \$49 million less than last year for a negative growth rate of -1.0%. Mr. Wilson provided a graph that reflects net general revenues are \$58 million ahead of last month's revised forecast. Mr. Wilson's spreadsheet reflect 12% sales and use tax growth bringing the annual rate to 2%, and corporate income tax receipts are up \$25 million for the month. Mr. Wilson said income tax collections are growing at 1% overall.

Mr. Wilson gave a brief overview of several tax topics and compilations that were presented from previous years to the Senate and House Committees on Revenue and Taxation, and various publications from surrounding states regarding tax reform, expenditures and exemptions.

### **Issues Associated with the Arkansas Tax Code and the Arkansas Constitution**

Ms. Joi Leonard, Administrator, Legal Research & Drafting, BLR, gave a brief overview of various state taxes as outlined in the Arkansas Legislative Tax Handbook, ranges of tax rates and tax credits. Ms. Leonard explained constitutional taxes and disbursement of tax revenues. She gave a brief overview of the streamline sales and use tax agreement and statutory issues that may arise if certain changes were made to the state's sales tax code.

### **Discussion of the Request for Proposal (RFP) Process**

Ms. Jill Thayer, Counsel to the Director, BLR, provided a Request For Proposal (RFP) and a timeline document for the task force to follow in choosing a consultant to begin work for the task force. A motion from the task force is required authorizing BLR to begin the RFP process and allowing the chairs of the task force to approve the final form of the contract. The proposal will go before the ALC Policy-Making Subcommittee to discuss and approve the contract and make a full report to the Arkansas Legislative Council for final approval. Once the contract is approved, consultant will begin work for the task force.

Representative Jett made the motion that the Task Force authorize BLR to begin the RFP process, and with a second by Senator Hester, the motion carried.

Meeting adjourned at 3:00 p.m.