

MINUTES FROM THE JOINT COMMITTEE ON ECONOMIC AND TAX POLICY MEETING

Thursday, May 16, 2013

Room B, MAC

Little Rock, Arkansas

The Joint Committee on Economic and Tax Policy met at 2:00 p.m., Thursday, May 16, 2013, in Room B MAC.

Committee members in attendance: Sen. Bruce Maloch (**Co-Chair**), Rep. Joe Jett, (**Co-Chair**), Sen. Linda Chesterfield, Sen. Larry Teague, Rep. Andrea Lea, and Rep. Nate Bell

Other members of the General Assembly in attendance: Sen. Jonathan Dismang, Sen. Johnny Key, Sen. Uvalde Lindsey, Sen. Bill Sample, Sen. Jon Woods, Rep. Eddie Armstrong, Rep. John Burris, Rep. Ann Clemmer, Rep. Andy Davis, Rep. Homer Lenderman, Rep. Frederick Love, Rep. Micah S. Neal, Rep. Betty Overbey, Rep. Jeff Wardlaw, Rep. Butch Wilkins, and Rep. Henry Hank Wilkins, IV

Sen. Bruce Maloch (Co-Chair) called the meeting to order and without objection, the minutes for Aug. 29, 2012 were approved as written.

Sen. Bruce Maloch (Co-Chair) introduced Mr. Richard Weiss with Arkansas Economic Development Commission.

Richard Weiss, Director, Arkansas Dept. of Finance and Administration (DFA), introduced Tim Leathers, Deputy Director, DFA and Dr. John Shelnett, Research Administrator, Economic Analysis & Tax Research, DFA. Mr. Weiss then discussed the Official General Revenue Forecast report submitted to the Joint Committee on Economic and Tax Policy on May 1, 2013 (Exhibit C).

Mr. Weiss noted that after DFA published the forecast on May 1, 2013, they received large payments on income tax extensions which was a one-time occurrence that should not be replicated next year. DFA should know more by June - when the estimates for 2013 tax year are filed. This should not change the forecast next fiscal year.

Richard Weiss, Tim Leathers, Dr. John Shelnett, and members of the Senate and House were recognized and contributed to the discussion as needed. Topics included:

- Future Forecast
- Growth in the Economy
- Economic Assumptions - Big River Payment from General Improvement Fund in 2013
- Income Tax Payments
- Merit Adjustment and Motor Vehicle Acquisition Funds
- Main Street Fairness Law
- Corporate Income Tax

Richard Weiss, indicated that on Dec. 1, 2013, DFA is required to provide a forecast for the upcoming fiscal session.

Sen. Bruce Maloch (Co-Chair) introduced Mr. Richard Wilson.

Richard Wilson, Assistant Director, Bureau of Legislative Research, discussed the tax reduction bills passed in the 2013 Regular Session (Exhibit D) and what effects they will have on the general revenue. Mr. Wilson and members of the Senate and House, also discussed the New Markets Job tax credit and insurance premium tax collections.

Sen. Bruce Maloch (Co-Chair) stated the Joint Committee on Economic and Tax Policy plans to meet again to review the policy implications of tax cut and where to go in the future.

There being no further business, the meeting adjourned.