



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

Exhibit E

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May 4, 2016

The Honorable Bart Hester, Co-Chair
The Honorable Jim Dotson, Co-Chair
Joint Committee on Economic and Tax Policy
Room 171 State Capitol
Little Rock, Arkansas 72201

Dear Senator Hester and Representative Dotson:

This letter is being sent in compliance with Ark. Code Ann. §10-3-1404(a), which requires the Chief Fiscal Officer of the State report a forecast of general revenues to be available for the coming fiscal year.

At this time, economic indicators do not warrant an adjustment in the Official Revenue Forecast, which was updated Feb. 1 in anticipation of the First Extraordinary Session of 2015. The economic recovery is continuing and revenue growth is encouraging, but significant adjustments above or below the current growth profile are not currently justified.

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 that reads "Larry W. Walther".

Larry W. Walther
Director

LWW/jps
Attachments (1)

OFFICIAL GENERAL REVENUE FORECAST
2015 - 2017 Biennium

Millions of Dollars

	Actual	FY 15 Increase	% CH	02/01/16 Estimate	FY 16 Increase	% CH	02/01/16 Estimate	FY 17 Increase	% CH
INDIVIDUAL INCOME	3,188.5	77.3	2.5	3,132.3	-56.2	-1.8	3,220.5	88.2	2.8
CORPORATE INCOME	493.1	52.9	12.0	469.0	-24.1	-4.9	462.3	-6.7	-1.4
SALES AND USE	2,197.8	24.6	1.1	2,305.4	107.6	4.9	2,396.0	90.6	3.9
ALCOHOLIC BEVERAGE	55.1	1.8	3.4	55.6	0.5	1.0	56.7	1.1	2.0
TOBACCO	218.5	-0.6	-0.3	214.0	-4.5	-2.1	207.6	-6.4	-3.0
INSURANCE	169.3	50.9	43.0	97.4	-71.9	-42.5	107.4	10.0	10.3
RACING	2.7	-0.3	-9.4	2.6	-0.1	-2.4	2.5	-0.1	-3.8
GAMES OF SKILL	47.3	7.8	19.9	53.2	5.9	12.4	55.3	2.1	3.9
SEVERANCE	20.3	-4.8	-19.0	9.6	-10.7	-52.8	10.4	0.8	8.3
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	67.5	18.4	37.5	59.2	-8.3	-12.3	51.5	-7.7	-13.0
TOTAL GROSS	6,470.7	228.1	3.7	6,408.9	-61.8	-1.0	6,580.8	171.9	2.7
LESS: SCS/COF	205.3	-0.6	-0.3	205.1	-0.2	-0.1	210.6	5.5	2.7
INDIVIDUAL REFUNDS	524.3	15.3	3.0	432.9	-91.4	-17.4	479.4	46.5	10.7
CORP REFUNDS	43.6	-25.5	-36.9	78.2	34.6	79.5	54.0	-24.2	-30.9
CLAIMS RESERVE	0.0	0.0	0.0	10.0	10.0	0.0	10.0	0.0	0.0
ECON DEV INCENTIVE	11.4	-1.4	-10.9	23.4	12.0	105.5	23.4	0.0	0.0
RECYCLING EQUIP CREDIT	0.0	0.0	0.0	0.0	0.0	0.0	16.0	16.0	0.0
AMENDMENT 82 BOND	0.0	0.0	0.0	0.0	0.0	0.0	5.3	5.3	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	22.1	-1.8	-7.5	24.0	1.9	8.4	24.0	0.0	0.0
MLA CITY/CO TOURIST	2.8	0.0	-0.2	1.0	-1.8	-64.3	0.9	-0.1	-10.0
EDUC EXCEL TRUST	297.4	7.0	2.4	300.8	3.4	1.1	315.6	14.8	4.9
DESEGREGATION	72.1	6.3	9.6	65.8	-6.3	-8.7	65.8	0.0	0.0
EDUCATIONAL ADQCY	26.3	0.6	2.4	26.6	0.3	1.2	27.9	1.3	4.9
NET AVAILABLE	5,250.5	228.1	4.5	5,226.3	-24.2	-0.5	5,333.1	106.8	2.0
LESS: SURPLUS	191.6			35.9					
NET AVAILABLE DISTRIBUTION	5,058.9	115.1	2.3	5,190.4	131.5	2.6	5,333.1	142.7	2.7

Prepared by Economic Analysis and Tax Research, DFA

Net Available Estimate for FY16: 100% of A, Rainy Day Fund, B, B1, C, and \$35.9 million surplus.