

ARKANSAS FISCAL NOTES



VOLUME XXIII No. 12

JUNE 2010

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Vol. XXIII No. 12

Arkansas Fiscal Notes

June 2010

GENERAL REVENUE SUMMARY: June FY 2010

Fiscal Year 2010 Net Available Revenues totaled \$4,323.1 million, a decrease of \$111.5 million or 2.5 percent below last year and \$61.4 million or 1.4 percent above the May 4, 2010 general revenue forecast.

The most significant percentage variances above forecast were from collections in corporate income and individual income among larger categories.

Individual and corporate income accounted for most of the gains relative to forecast at \$35.1 million and \$22.8 million respectively. Sales and use tax contributed \$8.3 million (0.4 percent) above forecast while falling 5.5 percent in year ago comparative terms. The decline in sales tax collections includes the effect of tax rate reduction on sales from food consumed at home, estimated at \$30.1 million.

Income tax refunds to individual and corporate filers exceeded the forecast by \$1.0 million and \$1.6 million respectively. These offsets to gross collections amounted to 0.2 percent greater claims than forecast for individuals and 2.7 percent greater for corporate.

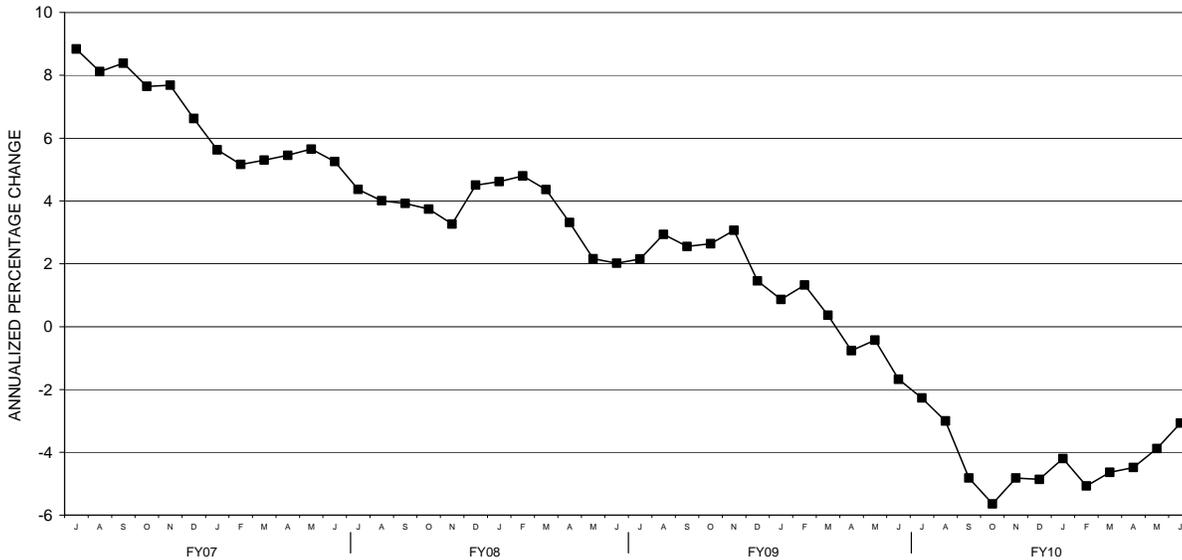
Other deductions from gross collections included a \$20 million transfer to State Central Services Fund (SCSF) as authorized by law in the event of shortfalls. This was partially offset by \$10 million which was reserved for claims that was not required during the year.

The decline in Net Available funds in FY 2010 and FY 2009 marks an unusual period of back-to-back annual declines in revenue. Prior recessions were limited to single year impacts and with few resulting in zero or negative annual change. In recent years, the only other annual decline in revenues occurred in FY 2002.

Fiscal Year 2010 Gross General Revenues totaled \$5,430.4 million, a decrease of \$130.7 million or 2.4 percent below last year and \$73.3 million or 1.4 percent above forecast.

Net General Revenue Growth. Net general revenues are defined as gross general revenues less individual and corporate income tax refunds. For the twelve-month period ending in June, net general revenues totaled \$4,880.6 million and decreased at an annual rate of 3.1 percent. One year ago, the net general revenues decreased by 1.7 percent.

ANNUALIZED RATE OF GROWTH IN NET GENERAL REVENUES



Fiscal Year 2010 Individual Income Tax Collections totaled \$2,579.2 million, a decrease of \$126.3 million or 4.7 percent below last year and \$35.1 million or 1.4 percent above forecast. Collections growth for individual withholding, the largest component of individual income tax, were \$2,074.9 million, a decrease of 0.8 percent below last year and 1.0 percent above forecast. Collections for estimated payments were \$303.0 million, 3.1 percent above forecast. Estimated payments were down sharply in FY 2010, reflecting significant impacts of declines in tax liability for tax year 2009. The last forecast revision had anticipated a continuing downward trend in individual income payments and estimates which did not occur.

Fiscal Year 2010 Individual Income Tax Refunds totaled \$488.1 million, an increase of \$21.6 million or 4.6 percent above last year and \$1.0 million or 0.2 percent above forecast.

Fiscal Year 2010 General Revenue Corporate Income Tax Collections totaled \$423.6 million, an increase of \$41.0 million or 10.7 percent above FY 2009. Collections were \$22.8 million or 5.7 percent above forecast. Corporate estimated payments declined 6.8 percent from year ago levels. Corporate returns increased 130.7 percent, due in part to one-time payments.

Fiscal Year 2010 Sales and Use Tax Collections totaled \$1,966.1 million, a decrease of \$115.1 million or 5.5 percent below last year. Sales tax collections were \$8.3 million or 0.4 percent above forecast. Declines in collections relative to FY 2009 reflect economic weakness in the collection base and a sales tax rate change on food consumed at home. Further non-economic, negative impact was derived from large sales and use tax refunds. These refunds represented multiple years of overpayment.

Combined General and Special Revenue Corporate Income Tax Collections. For the twelve-month period ending in June, general and special net corporate income taxes totaled \$385.4 million and increased at an annual rate of 11.3 percent. One year ago, corporate income taxes increased at an annual rate of 1.1 percent.

June Net Available Revenues totaled \$418.3 million, a decrease of \$16.7 million or 3.8 percent below last year. Net available revenues were \$23.0 million or 5.8 percent above forecast. Net available funds were boosted by a significant turn in corporate income from prior months in estimated payments. Individual estimated payments were also better than expected in the revised forecast, but still down compared to year ago levels. Individual estimated tax payments were down 7.3 percent compared to year ago collections but exceeded the revised forecast from May by 22.9 percent. This rate of improvement had been anticipated in the forecast for FY 2011 with uncertainty for the exact turning point on the final months of FY 2010. Estimated payments by individuals and corporations represented the principle risk in the forecast revision in early May using data available through April. In addition, gains in gross receipts (primarily sales and use tax) benefited from a favorable comparison to year earlier collections and refunds.

June Gross General Revenues totaled \$505.6 million, an increase of \$5.8 million or 1.2 percent above last year and \$36.4 million or 7.8 percent above forecast.

June Individual Income Tax Collections totaled \$224.5 million, a decrease of \$6.7 million or 2.9 percent below last year. Collections were \$13.8 million or 6.6 percent above forecast.

June Individual Income Tax Refunds totaled \$13.5 million, an increase of \$1.9 million or 16.3 percent above last year. Income tax refunds were \$2.3 million or 20.7 percent above forecast.

June General Revenue Corporate Income Tax Collections totaled \$57.4 million, an increase of \$8.5 million or 17.4 percent above last year. Corporate income tax collections were \$15.2 million or 36.1 percent above forecast.

June Sales and Use Tax Collections totaled \$163.0 million, an increase of \$6.3 million or 4.0 percent above last year. Sales tax collections were \$3.1 million or 2.0 percent above forecast.

SPECIAL REVENUES OF NOTE

Special Corporate Income Taxes. Each month \$1.96 million (\$23.5 million total in FY 2010) in corporate income tax collections goes to *special* revenues. These revenues are not included in *general* revenue totals. They are allocated to the WorkForce 2000 Fund, which provides for the upgrading of the post-secondary technical colleges of the state.

Soft Drink Tax (Medicaid Program Trust Fund). Year-to-date soft drink tax collections totaled \$45.5 million, a decrease of \$1.7 million or 3.6 percent below last year.

Conservation Fund. The state *general* sales and use tax rate is 4.5%. Effective July 1, 1997, Act 156 of 1997, the Conservation Fund Act, levied a one-eighth of one-cent increase in the sales and use tax rate as a *special* revenue. After deductions, the remaining money is distributed to the Game Protection Fund (45%), the Department of Parks and Tourism (45%), Arkansas Department of Heritage (9%), and the Keep Arkansas Beautiful Fund (1%). Year-to-date collections were \$58.4 million, a decrease of \$2.1 million or 3.5 percent below last year.

Property Tax Relief Trust Fund. Acts 1 and 2 of the Second Extraordinary Session of 2000 levied a 0.5% increase in the sales and use tax rate effective January 1, 2001. This increase is *special* revenue dedicated to reimbursing Arkansas counties for the cost of homestead property tax credits created by Amendment 79 to the Arkansas Constitution. Effective with FY 2008, a portion of the 6-cent per gallon dyed diesel tax is also deposited to the Property Tax Relief Trust Fund to offset the revenue loss from exempting dyed diesel from sales tax. Year-to-date collections were \$218.8 million, a decrease of \$13.4 million or 5.8 percent below last year.

Educational Adequacy Fund. Act 107 of the Second Extraordinary Session of 2003 increased the state sales and use tax rate from 5.125% to 6.0%, effective March 1, 2004. It also expanded the sales and use tax base to new services and increased the wholesale vending tax rate and decal fees, effective July 1, 2004. Act 94 increased the minimum corporate franchise tax and the tax rate, effective for calendar years beginning January 1, 2004. The additional revenues are deposited as *special* revenues to the Educational Adequacy Fund to be used to fulfill the financial obligations of the state to provide an adequate educational system. Effective with FY 2008, a portion of the 6-cent per gallon dyed diesel tax is also deposited to the Educational Adequacy Fund to offset the revenue loss from exempting dyed diesel from sales tax. Year-to-date collections were \$423.2 million, a decrease of \$22.5 million or 5.0 percent below last year.

TABLE A: GENERAL REVENUES FOR MONTH OF JUNE 2010

| | ACTUAL JUNE 2010 \$ | FORECAST JUNE 2010 \$ | ACTUAL JUNE 2009 \$ | CHANGE FROM: | | | |
|-----------------------------|---------------------------|-----------------------------|---------------------------|-------------------|------------|---------------------|--------------|
| | | | | FORECAST | | LAST YEAR | |
| | | | | \$ | % | \$ | % |
| INDIVIDUAL INCOME | 224,510,359 | 210,700,000 | 231,180,348 | 13,810,359 | 6.6 | (6,669,988) | (2.9) |
| CORPORATE INCOME | 57,413,340 | 42,200,000 | 48,907,557 | 15,213,340 | 36.1 | 8,505,784 | 17.4 |
| SALES AND USE | 163,038,644 | 159,914,645 | 156,760,146 | 3,123,999 | 2.0 | 6,278,499 | 4.0 |
| ALCOHOLIC BEVERAGE | 6,213,434 | 5,485,355 | 4,935,307 | 728,080 | 13.3 | 1,278,127 | 25.9 |
| TOBACCO | 21,555,273 | 18,000,000 | 20,797,997 | 3,555,273 | 19.8 | 757,276 | 3.6 |
| INSURANCE PREMIUM | 27,876,126 | 28,600,000 | 32,530,159 | (723,874) | (2.5) | (4,654,034) | (14.3) |
| RACING | 255,695 | 400,000 | 421,590 | (144,305) | (36.1) | (165,895) | (39.3) |
| GAMES OF SKILL | 848,660 | 600,000 | 636,060 | 248,660 | 41.4 | 212,600 | 33.4 |
| SEVERANCE | 1,289,033 | 1,100,000 | 921,752 | 189,033 | 17.2 | 367,281 | 39.8 |
| CORPORATE FRANCHISE | 0 | 0 | 0 | 0 | 0.0 | 0 | 0.0 |
| ESTATE | 0 | 0 | 39,301 | 0 | 0.0 | (39,301) | (100.0) |
| REAL ESTATE TRANSFER | 0 | 0 | 0 | 0 | 0.0 | 0 | 0.0 |
| MISCELLANEOUS | 2,575,264 | 2,200,000 | 2,627,343 | 375,264 | 17.1 | (52,078) | (2.0) |
| GROSS REVENUES | 505,575,830 | 469,200,000 | 499,757,559 | 36,375,830 | 7.8 | 5,818,270 | 1.2 |
| PLUS: | | | | | | | |
| REV. ALLOTMENT RESERVE | 0 | 0 | 0 | 0 | 0.0 | 0 | 0.0 |
| LESS: | | | | | | | |
| SCSF/COF | 14,836,749 | 14,031,495 | 14,777,938 | 805,254 | 5.7 | 58,811 | 0.4 |
| SCSF STABILIZATION TRANSFER | 20,000,000 | 0 | 0 | | 0.0 | 20,000,000 | 0.0 |
| INDIVIDUAL REFUNDS | 13,523,649 | 11,200,000 | 11,628,145 | 2,323,649 | 20.7 | 1,895,504 | 16.3 |
| CORPORATE REFUNDS | 7,561,566 | 4,000,000 | 3,416,731 | 3,561,566 | 89.0 | 4,144,836 | 121.3 |
| CLAIMS | 0 | 10,000,000 | 0 | (10,000,000) | (100.0) | 0 | 0.0 |
| ECON DEVEL INCEN FUND | 644,871 | 3,000,000 | 2,751,261 | (2,355,129) | (78.5) | (2,106,390) | (76.6) |
| WATER/SEWER BONDS | 1,000,000 | 1,000,000 | 500,000 | 0 | 0.0 | 500,000 | 100.0 |
| COLLEGE SAVINGS BONDS | 0 | 0 | 0 | 0 | 0.0 | 0 | 0.0 |
| MLA CITY/CO. | 0 | 0 | 0 | 0 | 0.0 | 0 | 0.0 |
| DESEG SETTLEMENT | 3,764,615 | 4,700,000 | 5,370,969 | (935,385) | (19.9) | (1,606,354) | (29.9) |
| EDUCATIONAL EXCELLENCE | 23,673,055 | 23,700,000 | 24,020,761 | (26,945) | (0.1) | (347,706) | (1.4) |
| EDUCATIONAL ADEQUACY | 2,092,738 | 2,100,000 | 2,123,476 | (7,262) | (0.3) | (30,738) | (1.4) |
| ELDERLY TRANSPORTATION | 164,803 | 200,000 | 160,360 | (35,197) | (17.6) | 4,443 | 2.8 |
| NET AVAILABLE | 418,313,783 | 395,268,505 | 435,007,919 | 23,045,278 | 5.8 | (16,694,136) | (3.8) |

PREPARED BY THE OFFICE OF ECONOMIC ANALYSIS AND TAX RESEARCH, DF&A.
NET AVAILABLE ESTIMATE FOR FY10: May 4, 2010, (94.73% of A)

TABLE B: YEAR-TO-DATE GENERAL REVENUES

| | ACTUAL YTD JUNE 2010 | FORECAST YTD JUNE 2010 | ACTUAL YTD JUNE 2009 | CHANGE FROM: | | | |
|-----------------------------|-------------------------|---------------------------|-------------------------|-------------------|------------|----------------------|--------------|
| | | | | FORECAST | | LAST YEAR | |
| | | | | \$ | % | \$ | % |
| INDIVIDUAL INCOME | 2,579,196,262 | 2,544,100,000 | 2,705,494,801 | 35,096,262 | 1.4 | (126,298,538) | (4.7) |
| CORPORATE INCOME | 423,620,798 | 400,800,000 | 382,643,608 | 22,820,798 | 5.7 | 40,977,191 | 10.7 |
| SALES AND USE | 1,966,117,519 | 1,957,800,000 | 2,081,255,029 | 8,317,519 | 0.4 | (115,137,510) | (5.5) |
| ALCOHOLIC BEVERAGE | 46,265,629 | 45,900,000 | 46,714,993 | 365,629 | 0.8 | (449,364) | (1.0) |
| TOBACCO | 245,087,355 | 240,400,000 | 164,592,217 | 4,687,355 | 1.9 | 80,495,138 | 48.9 |
| INSURANCE PREMIUM | 94,346,154 | 94,900,000 | 97,800,000 | (553,846) | (0.6) | (3,453,846) | (3.5) |
| RACING | 4,575,456 | 4,400,000 | 5,147,408 | 175,456 | 4.0 | (571,951) | (11.1) |
| GAMES OF SKILL | 8,537,995 | 8,000,000 | 6,197,221 | 537,995 | 6.7 | 2,340,774 | 37.8 |
| SEVERANCE | 14,746,860 | 14,300,000 | 15,913,391 | 446,860 | 3.1 | (1,166,530) | (7.3) |
| CORPORATE FRANCHISE | 8,000,000 | 8,000,000 | 8,000,000 | 0 | 0.0 | 0 | 0.0 |
| ESTATE | 89,226 | 100,000 | (1,128,717) | (10,774) | (10.8) | 1,217,943 | 107.9 |
| REAL ESTATE TRANSFER | 2,607,788 | 2,600,000 | 7,107,785 | 7,788 | 0.3 | (4,499,997) | (63.3) |
| MISCELLANEOUS | 37,246,347 | 35,800,000 | 41,441,767 | 1,446,347 | 4.0 | (4,195,420) | (10.1) |
| GROSS REVENUES | 5,430,437,391 | 5,357,100,000 | 5,561,179,501 | 73,337,391 | 1.4 | (130,742,110) | (2.4) |
| PLUS: | | | | | | | |
| REV. ALLOTMENT RESERVE | 61,049,112 | 61,000,000 | 3,380,000 | 49,112 | 0.1 | 57,669,112 | 1706.2 |
| LESS: | | | | | | | |
| SCSF/COF | 162,760,042 | 160,731,495 | 166,659,397 | 2,028,547 | 1.3 | (3,899,356) | (2.3) |
| SCSF STABILIZATION TRANSFER | 20,000,000 | 0 | 0 | 20,000,000 | 0.0 | 20,000,000 | 0.0 |
| INDIVIDUAL REFUNDS | 488,114,469 | 487,100,000 | 466,537,485 | 1,014,469 | 0.2 | 21,576,985 | 4.6 |
| CORPORATE REFUNDS | 61,729,596 | 60,100,000 | 59,652,429 | 1,629,596 | 2.7 | 2,077,167 | 3.5 |
| CLAIMS | 0 | 10,000,000 | 0 | (10,000,000) | (100.0) | 0 | 0.0 |
| ECON DEVEL INCEN FUND | 12,105,056 | 13,400,000 | 14,975,725 | (1,294,944) | (9.7) | (2,870,669) | (19.2) |
| WATER/SEWER BONDS | 12,900,000 | 12,900,000 | 6,000,000 | 0 | 0.0 | 6,900,000 | 115.0 |
| COLLEGE SAVINGS BONDS | 23,658,230 | 24,000,000 | 23,916,417 | (341,770) | (1.4) | (258,187) | (1.1) |
| MLA CITY/CO. | 7,266,312 | 7,300,000 | 7,134,245 | (33,688) | (0.5) | 132,067 | 1.9 |
| DESEG SETTLEMENT | 68,864,615 | 69,800,000 | 69,270,969 | (935,385) | (1.3) | (406,354) | (0.6) |
| EDUCATIONAL EXCELLENCE | 284,078,953 | 284,100,000 | 288,249,127 | (21,047) | (0.0) | (4,170,174) | (1.4) |
| EDUCATIONAL ADEQUACY | 25,113,062 | 25,100,000 | 25,481,712 | 13,062 | 0.1 | (368,650) | (1.4) |
| ELDERLY TRANSPORTATION | 1,773,000 | 1,800,000 | 2,011,450 | (27,000) | (1.5) | (238,450) | (11.9) |
| NET AVAILABLE | 4,323,123,168 | 4,261,768,505 | 4,434,670,544 | 61,354,663 | 1.4 | (111,547,376) | (2.5) |

PREPARED BY THE OFFICE OF ECONOMIC ANALYSIS AND TAX RESEARCH, DF&A.
NET AVAILABLE ESTIMATE FOR FY10: May 4, 2010, (94.73% of A)

TABLE C
OFFICIAL GENERAL REVENUE FORECAST
2009 - 2011 Biennium

| Millions of Dollars | FY 09 | | | FY 10 | | | 05/04/10 | FY 11 | |
|----------------------------|----------------|--------------|-------------|----------------|---------------|-------------|----------------|--------------|------------|
| | Actual | Increase | % CH | Actual | Increase | % CH | Estimate | Increase | % CH |
| INDIVIDUAL INCOME | 2,705.5 | -57.4 | -2.1 | 2,579.2 | -126.3 | -4.7 | 2,721.2 | 142.0 | 5.5 |
| CORPORATE INCOME | 382.6 | 28.6 | 8.1 | 423.6 | 41.0 | 10.7 | 408.6 | -15.0 | -3.5 |
| SALES AND USE | 2,081.3 | -29.0 | -1.4 | 1,966.1 | -115.1 | -5.5 | 2,086.8 | 120.7 | 6.1 |
| ALCOHOLIC BEVERAGE | 46.7 | 5.5 | 13.3 | 46.3 | -0.4 | -1.0 | 49.4 | 3.1 | 6.8 |
| TOBACCO | 164.6 | 23.6 | 16.7 | 245.1 | 80.5 | 48.9 | 234.0 | -11.1 | -4.5 |
| INSURANCE | 97.8 | 2.6 | 2.7 | 94.3 | -3.5 | -3.5 | 101.1 | 6.8 | 7.2 |
| RACING | 5.1 | -0.1 | -1.0 | 4.6 | -0.6 | -11.1 | 4.6 | 0.0 | 0.5 |
| GAMES OF SKILL | 6.2 | 0.6 | 10.7 | 8.5 | 2.3 | 37.8 | 7.5 | -1.0 | -12.2 |
| SEVERANCE | 15.9 | -2.4 | -13.3 | 14.7 | -1.2 | -7.3 | 19.3 | 4.6 | 30.9 |
| CORPORATE FRANCHISE | 8.0 | 0.0 | 0.0 | 8.0 | 0.0 | 0.0 | 8.0 | 0.0 | 0.0 |
| ESTATE | -1.1 | -0.6 | 109.4 | 0.1 | 1.2 | -107.9 | 0.0 | -0.1 | -100.0 |
| REAL ESTATE TRANSFER | 7.1 | 0.0 | 0.0 | 2.6 | -4.5 | -63.3 | 2.6 | 0.0 | -0.3 |
| MISCELLANEOUS | 41.4 | 14.8 | 55.4 | 37.2 | -4.2 | -10.1 | 28.5 | -8.7 | -23.5 |
| TOTAL GROSS | 5,561.2 | -13.8 | -0.2 | 5,430.4 | -130.7 | -2.4 | 5,671.6 | 241.2 | 4.4 |
| PLUS: GEN IMPROVEMENT | 3.4 | -1.4 | -28.7 | 0.0 | -3.4 | -100.0 | 0.0 | 0.0 | 0.0 |
| REV. ALLOTMENT RESERVE | 0.0 | 0.0 | 0.0 | 61.0 | 61.0 | 0.0 | 0.0 | -61.0 | -100.0 |
| LESS: SCS/COF | 166.7 | -0.4 | -0.2 | 162.8 | -3.9 | -2.3 | 170.1 | 7.3 | 4.5 |
| SCS STABILIZATION TRANSFER | 0.0 | 0.0 | 0.0 | 20.0 | 20.0 | 0.0 | 0.0 | -20.0 | -100.0 |
| INDIVIDUAL REFUNDS | 466.5 | 48.5 | 11.6 | 488.1 | 21.6 | 4.6 | 518.7 | 30.6 | 6.3 |
| CORP REFUNDS | 59.7 | 23.6 | 65.3 | 61.7 | 2.1 | 3.5 | 64.2 | 2.5 | 4.0 |
| CLAIMS RESERVE | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 10.0 | 10.0 | 0.0 |
| ECON DEV INCENTIVE | 15.0 | 4.6 | 45.0 | 12.1 | -2.9 | -19.2 | 23.4 | 11.3 | 93.3 |
| WATER/SEWER BONDS | 6.0 | 3.6 | 150.0 | 12.9 | 6.9 | 115.0 | 14.9 | 2.0 | 15.5 |
| COLL SAVINGS BONDS | 23.9 | 0.1 | 0.5 | 23.7 | -0.3 | -1.1 | 24.0 | 0.3 | 1.4 |
| MLA CITY/CO TOURIST | 7.1 | -0.1 | -1.5 | 7.3 | 0.1 | 1.9 | 5.3 | -2.0 | -27.1 |
| EDUC EXCEL TRUST | 288.2 | -10.2 | -3.4 | 284.1 | -4.2 | -1.4 | 266.8 | -17.3 | -6.1 |
| DESEGREGATION | 69.3 | 10.6 | 18.0 | 68.9 | -0.4 | -0.6 | 69.8 | 0.9 | 1.4 |
| ELDERLY TRANSPORT | 2.0 | -0.1 | -5.1 | 1.8 | -0.2 | -11.9 | 1.9 | 0.1 | 7.2 |
| EDUCATIONAL ADQCY | 25.5 | -0.9 | -3.4 | 25.1 | -0.4 | -1.4 | 23.6 | -1.5 | -6.0 |
| NET AVAILABLE | 4,434.7 | -94.5 | -2.1 | 4,323.1 | -111.5 | -2.5 | 4,478.9 | 155.8 | 3.6 |

PREPARED BY ECONOMIC ANALYSIS AND TAX RESEARCH, DF&A

NET AVAILABLE FOR FY10 DOES NOT INCLUDE \$40.0 MILLION TRANSFER FROM GENERAL IMPROVEMENT FUND (ACT 1443, SECTION 3).

SCS STABILIZATION TRANSFER IS DONE PER ACA 19-5-205.

**TABLE D
GENERAL REVENUE HISTORY AND ECONOMIC ASSUMPTIONS**

| Millions of Dollars | FY-06 | | | FY-07 | | | FY-08 | | |
|-----------------------------------|-----------------------|---------------------|-------------------|-----------------------|---------------------|-------------------|-----------------------|---------------------|-------------------|
| | Actual | Increase | % CH | Actual | Increase | % CH | Actual | Increase | % CH |
| INDIVIDUAL INCOME TAX | 2,356.3 | 188.5 | 8.7 | 2,536.1 | 179.8 | 7.6 | 2,762.9 | 226.8 | 8.9 |
| INDIVIDUAL REFUNDS | <u>343.5</u> | <u>50.7</u> | <u>17.3</u> | <u>367.6</u> | <u>24.2</u> | <u>7.0</u> | <u>418.0</u> | <u>50.4</u> | <u>13.7</u> |
| NET INDIVIDUAL INCOME | 2,012.8 | 137.8 | 7.3 | 2,168.4 | 155.6 | 7.7 | 2,344.9 | 176.4 | 8.1 |
| CORPORATE INCOME TAX | 378.2 | 79.4 | 26.6 | 390.7 | 12.5 | 3.3 | 354.0 | -36.7 | -9.4 |
| CORPORATE REFUNDS | <u>28.5</u> | <u>-6.1</u> | <u>-17.7</u> | <u>52.7</u> | <u>24.2</u> | <u>84.8</u> | <u>36.1</u> | <u>-16.6</u> | <u>-31.5</u> |
| NET CORPORATE INCOME | 349.7 | 85.6 | 32.4 | 338.0 | -11.7 | -3.4 | 317.9 | -20.1 | -5.9 |
| SALES AND USE TAX | 2,087.2 | 142.1 | 7.3 | 2,187.6 | 100.4 | 4.8 | 2,110.3 | -77.4 | -3.5 |
| NET ECONOMIC TAX REVENUE | 4,449.7 | 365.4 | 8.9 | 4,694.1 | 244.3 | 5.5 | 4,773.1 | 79.0 | 1.7 |
| OTHER TAX REVENUE | <u>319.3</u> | <u>0.5</u> | <u>0.1</u> | <u>325.5</u> | <u>6.2</u> | <u>1.9</u> | <u>347.8</u> | <u>22.3</u> | <u>6.8</u> |
| GROSS GENERAL REVENUES | 5,141.0 | 410.4 | 8.7 | 5,439.9 | 298.9 | 5.8 | 5,575.0 | 135.1 | 2.5 |
| PLUS: GEN IMPROVEMENT | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 4.7 | 4.7 | 0.0 |
| PROPERTY TAX RELIEF TRUST FUND | 18.2 | -6.8 | -27.4 | 22.0 | 3.8 | 21.2 | 0.0 | -22.0 | -100.0 |
| REVENUE ALLOTMENT RESERVE | 0.0 | 0.0 | 0.0 | 34.0 | 34.0 | 0.0 | 0.0 | -34.0 | -100.0 |
| LESS: SCS/COF | 169.7 | 28.1 | 19.9 | 163.0 | -6.7 | -4.0 | 167.0 | 4.0 | 2.5 |
| INDIVIDUAL REFUNDS | 343.5 | 50.7 | 17.3 | 367.6 | 24.2 | 7.0 | 418.0 | 50.4 | 13.7 |
| CORPORATE REFUNDS | 28.5 | -6.1 | -17.7 | 52.7 | 24.2 | 84.8 | 36.1 | -16.6 | -31.5 |
| CLAIMS | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| ECON DEVEL INCENTIVE FUND | 8.0 | -3.2 | -28.6 | 33.2 | 25.2 | 314.1 | 10.3 | -22.9 | -68.9 |
| WATER/SEWER BONDS | 0.0 | -5.6 | 0.0 | 2.7 | 2.7 | 0.0 | 2.4 | -0.3 | -11.1 |
| MLA CITY/CO TOURIST | 7.2 | -0.5 | -6.3 | 7.2 | 0.0 | 0.0 | 7.2 | 0.0 | 0.0 |
| DESEGREGATION SETTLEMENT | 59.5 | 26.7 | 81.4 | 65.6 | 6.1 | 10.2 | 58.7 | -6.9 | -10.6 |
| EDUC EXCEL TRUST FUND | 265.4 | 19.5 | 7.9 | 284.7 | 19.4 | 7.3 | 298.4 | 13.7 | 4.8 |
| ELDERLY TRANSPORTATION | 2.2 | 0.0 | 0.3 | 2.1 | -0.1 | -3.6 | 2.1 | 0.0 | -0.8 |
| COLLEGE SAVINGS BONDS | 23.9 | 0.0 | 0.0 | 23.9 | 0.0 | 0.1 | 23.8 | -0.1 | -0.5 |
| EDUCATIONAL ADEQUACY | 23.5 | 1.7 | 7.9 | 25.2 | 1.7 | 7.3 | 26.4 | 1.2 | 4.8 |
| NET AVAILABLE | <u>4,227.8</u> | <u>290.6</u> | <u>7.4</u> | <u>4,467.9</u> | <u>240.1</u> | <u>5.7</u> | <u>4,529.2</u> | <u>61.3</u> | <u>1.4</u> |
| LESS: SURPLUS TO ALLOT. RESERVE | -402.7 | | | -409.3 | | | -176.5 | | |
| NET AVAILABLE DISTRIBUTION | <u>3,825.1</u> | <u>195.1</u> | <u>5.4</u> | <u>4,058.6</u> | <u>233.6</u> | <u>6.1</u> | <u>4,352.7</u> | <u>294.1</u> | <u>7.2</u> |

ECONOMIC ASSUMPTIONS

| | FY 2006 | | | FY 2007 | | | FY 2008 | | |
|---|----------|---------|-------|----------|---------|------|----------|---------|------|
| U.S. Nominal GDP (Billion \$) | 13,047.1 | 799.2 | 6.5 | 13,714.3 | 667.2 | 5.1 | 14,347.4 | 633.1 | 4.6 |
| U.S. GDP (Billions 2005\$ Chain-Weight) | 12,827.6 | 368.7 | 3.0 | 13,082.6 | 255.0 | 2.0 | 13,373.6 | 291.0 | 2.2 |
| U.S. GDP Deflator (Chain-Wt, 2005=100) | 101.7 | 3.4 | 3.5 | 104.8 | 3.1 | 3.1 | 107.3 | 2.5 | 2.3 |
| U.S. CPI Price Index (1984=100) | 198.9 | 7.2 | 3.8 | 204.1 | 5.2 | 2.6 | 211.7 | 7.6 | 3.7 |
| OIL - Avg. Dom. Crude to Refinery (\$ per barrel) | 60.7 | 15.8 | 35.2 | 60.7 | 0.0 | -0.1 | 93.3 | 32.6 | 53.7 |
| AR. Net General Revenue (Million \$) | 4,769.0 | 365.9 | 8.3 | 5,019.6 | 250.5 | 5.3 | 5,120.9 | 101.3 | 2.0 |
| AR. Net GR % of Non-Farm Personal Income | 6.0 | 0.1 | 1.0 | 5.9 | -0.1 | -1.7 | 5.7 | -0.3 | -4.2 |
| AR. Non-Farm Personal Income (Million \$) | 78,929.5 | 5,340.0 | 7.3 | 84,509.3 | 5,579.8 | 7.1 | 90,037.5 | 5,528.3 | 6.5 |
| AR. Wage & Salary Disbursements (Million \$) | 40,405.3 | 2,113.3 | 5.5 | 42,351.8 | 1,946.5 | 4.8 | 44,533.3 | 2,181.5 | 5.2 |
| AR. Non-Farm Proprietor Income (Million \$) | 6,813.0 | 505.3 | 8.0 | 6,876.3 | 63.3 | 0.9 | 6,688.0 | -188.3 | -2.7 |
| AR. Farm Proprietor Income (Million \$) | 1,322.0 | -777.3 | -37.0 | 1,428.0 | 106.0 | 8.0 | 1,944.5 | 516.5 | 36.2 |
| AR. Payroll Employment (Thousands) | 1,190.5 | 22.8 | 2.0 | 1,201.6 | 11.1 | 0.9 | 1,205.7 | 4.1 | 0.3 |
| AR. Manufacturing Employment (Thousands) | 201.8 | -0.9 | -0.5 | 195.1 | -6.7 | -3.3 | 187.3 | -7.8 | -4.0 |
| AR. Prof. & Bus. Serv. Employment (Thous.) | 113.5 | 3.6 | 3.3 | 115.4 | 1.9 | 1.7 | 117.5 | 2.1 | 1.8 |
| AR. Population (Thousands) | 2,803.4 | 39.1 | 1.4 | 2,832.6 | 29.2 | 1.0 | 2,858.3 | 25.7 | 0.9 |
| AR. Per Capita Income (\$) | 28,624.9 | 1,245 | 4.5 | 30,337.7 | 1,713 | 6.0 | 32,179.1 | 1,841 | 6.1 |
| AR. Retail Sales (Billion \$) | 35.2 | 2.3 | 7.1 | 36.2 | 1.0 | 2.9 | 37.7 | 1.5 | 4.1 |

**ECONOMIC ASSUMPTIONS AND THE
OFFICIAL GENERAL REVENUE FORECAST
2009-2011 BIENNIUM**

| Millions of Dollars | FY-09 | | | FY-10 | | | 05/04/10 | FY-11 | | |
|---|-----------------------|--------------------|-------------------|-----------------------|----------------------|--------------------|-----------------------|---------------------|-------------------|--|
| | Actual | Increase | % CH | Actual | Increase | % CH | Estimate | Increase | % CH | |
| INDIVIDUAL INCOME TAX | 2,705.5 | -57.4 | -2.1 | 2,579.2 | -126.3 | -4.7 | 2,721.2 | 142.0 | 5.5 | |
| INDIVIDUAL REFUNDS | <u>466.5</u> | <u>48.5</u> | <u>11.6</u> | <u>488.1</u> | <u>21.6</u> | <u>4.6</u> | <u>518.7</u> | <u>30.6</u> | <u>6.3</u> | |
| NET INDIVIDUAL INCOME | 2,239.0 | -105.9 | -4.5 | 2,091.1 | -147.9 | -6.6 | 2,202.5 | 111.4 | 5.3 | |
| CORPORATE INCOME TAX | 382.6 | 28.6 | 8.1 | 423.6 | 41.0 | 10.7 | 408.6 | -15.0 | -3.5 | |
| CORPORATE REFUNDS | <u>59.7</u> | <u>23.6</u> | <u>65.3</u> | <u>61.7</u> | <u>2.1</u> | <u>3.5</u> | <u>64.2</u> | <u>2.5</u> | <u>4.0</u> | |
| NET CORPORATE INCOME | 323.0 | 5.1 | 1.6 | 361.9 | 38.9 | 12.0 | 344.4 | -17.5 | -4.8 | |
| SALES AND USE TAX | 2,081.3 | -29.0 | -1.4 | 1,966.1 | -115.1 | -5.5 | 2,086.8 | 120.7 | 6.1 | |
| NET ECONOMIC TAX REVENUE | 4,643.2 | -129.9 | -2.7 | 4,419.1 | -224.1 | -4.8 | 4,633.7 | 214.6 | 4.9 | |
| OTHER TAX REVENUE | <u>391.8</u> | <u>44.0</u> | <u>12.6</u> | <u>461.5</u> | <u>69.7</u> | <u>17.8</u> | <u>455.0</u> | <u>-6.5</u> | <u>-1.4</u> | |
| GROSS GENERAL REVENUES | 5,561.2 | -13.8 | -0.2 | 5,430.4 | -130.7 | -2.4 | 5,671.6 | 241.2 | 4.4 | |
| PLUS: GEN IMPROVEMENT | 3.4 | -1.4 | -28.7 | 0.0 | -3.4 | -100.0 | 0.0 | 0.0 | 0.0 | |
| REVENUE ALLOTMENT RESERVE | 0.0 | 0.0 | 0.0 | 61.0 | 61.0 | 0.0 | 0.0 | -61.0 | -100.0 | |
| LESS: SCS/COF | 166.7 | -0.4 | -0.2 | 162.8 | -3.9 | -2.3 | 170.1 | 7.3 | 4.5 | |
| SCSF STABILIZATION TRANSFER | 0.0 | 0.0 | 0.0 | 20.0 | 20.0 | 0.0 | 0.0 | -20.0 | -100.0 | |
| INDIVIDUAL REFUNDS | 466.5 | 48.5 | 11.6 | 488.1 | 21.6 | 4.6 | 518.7 | 30.6 | 6.3 | |
| CORPORATE REFUNDS | 59.7 | 23.6 | 65.3 | 61.7 | 2.1 | 3.5 | 64.2 | 2.5 | 4.0 | |
| CLAIMS | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 10.0 | 10.0 | 0.0 | |
| ECON DEVEL INCENTIVE FUND | 15.0 | 4.6 | 45.0 | 12.1 | -2.9 | -19.2 | 23.4 | 11.3 | 93.3 | |
| WATER/SEWER BONDS | 6.0 | 3.6 | 150.0 | 12.9 | 6.9 | 115.0 | 14.9 | 2.0 | 15.5 | |
| MLA CITY/CO TOURIST | 7.1 | -0.1 | -1.5 | 7.3 | 0.1 | 1.9 | 5.3 | -2.0 | -27.1 | |
| DESEGREGATION SETTLEMENT | 69.3 | 10.6 | 18.0 | 68.9 | -0.4 | -0.6 | 69.8 | 0.9 | 1.4 | |
| EDUC EXCEL TRUST FUND | 288.2 | -10.2 | -3.4 | 284.1 | -4.2 | -1.4 | 266.8 | -17.3 | -6.1 | |
| ELDERLY TRANSPORTATION | 2.0 | -0.1 | -5.1 | 1.8 | -0.2 | -11.9 | 1.9 | 0.1 | 7.2 | |
| COLLEGE SAVINGS BONDS | 23.9 | 0.1 | 0.5 | 23.7 | -0.3 | -1.1 | 24.0 | 0.3 | 1.4 | |
| EDUCATIONAL ADEQUACY | 25.5 | -0.9 | -3.4 | 25.1 | -0.4 | -1.4 | 23.6 | -1.5 | -6.0 | |
| NET AVAILABLE | <u>4,434.7</u> | <u>-94.5</u> | <u>-2.1</u> | <u>4,323.1</u> | <u>-111.5</u> | <u>-2.5</u> | <u>4,478.9</u> | <u>155.8</u> | <u>3.6</u> | |
| LESS: SURPLUS TO ALLOT. RESERVE | | | | | | | | | | |
| NET AVAILABLE DISTRIBUTION | <u>4,434.7</u> | <u>82.0</u> | <u>1.9</u> | <u>4,323.1</u> | <u>-111.5</u> | <u>-2.5</u> | <u>4,478.9</u> | <u>155.8</u> | <u>3.6</u> | |
| ECONOMIC ASSUMPTIONS | | | | | | | | | | |
| | | FY 2009 | | FY 2010 | | | FY 2011 | | | |
| U.S. Nominal GDP (Billion \$) | 14,305.8 | -41.6 | -0.3 | 14,508.5 | 202.7 | 1.4 | 15,139.3 | 630.7 | 4.3 | |
| U.S. GDP (Billions 2005\$ Chain-Weight) | 13,073.4 | -300.3 | -2.2 | 13,176.2 | 102.8 | 0.8 | 13,556.7 | 380.5 | 2.9 | |
| U.S. GDP Deflator (Chain-Wt, 2005=100) | 109.4 | 2.1 | 2.0 | 110.1 | 0.7 | 0.6 | 111.7 | 1.6 | 1.4 | |
| U.S. CPI Price Index (1984=100) | 214.6 | 3.0 | 1.4 | 216.9 | 2.2 | 1.0 | 220.0 | 3.1 | 1.4 | |
| OIL - Avg. Dom. Crude to Refinery (\$ per barrel) | 68.8 | -24.5 | -26.2 | 70.7 | 1.9 | 2.8 | 70.6 | -0.2 | -0.2 | |
| AR. Net General Revenue (Million \$) | 5,035.0 | -85.9 | -1.7 | 4,880.6 | -154.4 | -3.1 | 5,088.7 | 208.1 | 4.3 | |
| AR. Net GR % of Non-Farm Personal Income | 5.6 | -0.1 | -2.3 | 5.4 | -0.2 | -3.3 | 5.5 | 0.1 | 2.2 | |
| AR. Non-Farm Personal Income (Million \$) | 90,619.0 | 581.5 | 0.6 | 90,870.4 | 251.4 | 0.3 | 92,736.3 | 1,865.9 | 2.1 | |
| AR. Wage & Salary Disbursements (Million \$) | 44,799.8 | 266.5 | 0.6 | 43,875.9 | -923.9 | -2.1 | 44,852.8 | 977.0 | 2.2 | |
| AR. Non-Farm Proprietor Income (Million \$) | 6,486.5 | -201.5 | -3.0 | 6,480.9 | -5.6 | -0.1 | 6,651.7 | 170.8 | 2.6 | |
| AR. Farm Proprietor Income (Million \$) | 1,683.3 | -261.3 | -13.4 | 1,467.9 | -215.4 | -12.8 | 1,614.2 | 146.3 | 10.0 | |
| AR. Payroll Employment (Thousands) | 1,185.2 | -20.5 | -1.7 | 1,157.0 | -28.2 | -2.4 | 1,163.3 | 6.3 | 0.5 | |
| AR. Manufacturing Employment (Thousands) | 174.6 | -12.7 | -6.8 | 158.6 | -16.0 | -9.2 | 156.7 | -1.9 | -1.2 | |
| AR. Prof. & Bus. Serv. Employment (Thous.) | 114.9 | -2.6 | -2.2 | 113.6 | -1.3 | -1.1 | 117.5 | 3.9 | 3.4 | |
| AR. Population (Thousands) | 2,882.0 | 23.7 | 0.8 | 2,902.1 | 20.2 | 0.7 | 2,922.5 | 20.4 | 0.7 | |
| AR. Per Capita Income (\$) | 32,033.1 | -146 | -0.5 | 31,816.9 | -216 | -0.7 | 32,283.1 | 466 | 1.5 | |
| AR. Retail Sales (Billion \$) | 34.8 | -2.9 | -7.7 | 35.2 | 0.4 | 1.1 | 36.1 | 0.9 | 2.6 | |

U.S. Summary: Global Insight, March 2010

AR Forecast based on Composite of Moody's and Global Insight (March 2010).

TABLE E
COMPARISON OF APRIL 27, 2009 GENERAL REVENUE FORECAST
TO FY 2010 ACTUAL

| Millions of Dollars | FY 10 Estimate 4/27/2009 | Estimated Increase Over FY 09 | % CH Over FY 09 | FY 10 Actual | FY 10 Actual Over Estimate | % CH Over Estimate |
|------------------------------|--------------------------------|-------------------------------------|-----------------------|-----------------|----------------------------------|--------------------------|
| INDIVIDUAL INCOME | 2,688.1 | -17.4 | -0.6 | 2,579.2 | -108.9 | -4.1 |
| CORPORATE INCOME | 379.9 | -2.7 | -0.7 | 423.6 | 43.7 | 11.5 |
| SALES AND USE TAX | 2,139.1 | 57.8 | 2.8 | 1,966.1 | -173.0 | -8.1 |
| ALCOHOLIC BEVERAGE | 46.3 | -0.4 | -0.9 | 46.3 | 0.0 | -0.1 |
| TOBACCO | 211.5 | 46.9 | 28.5 | 245.1 | 33.6 | 15.9 |
| INSURANCE | 100.0 | 2.2 | 2.2 | 94.3 | -5.7 | -5.7 |
| RACING | 5.2 | 0.1 | 1.0 | 4.6 | -0.6 | -12.0 |
| GAMES OF SKILL | 7.7 | 1.5 | 24.2 | 8.5 | 0.8 | 10.9 |
| SEVERANCE | 10.3 | -5.6 | -35.3 | 14.7 | 4.4 | 43.2 |
| CORPORATE FRANCHISE | 8.0 | 0.0 | 0.0 | 8.0 | 0.0 | 0.0 |
| ESTATE | 0.0 | 1.1 | 0.0 | 0.1 | 0.1 | 0.0 |
| REAL ESTATE TRANSFER | 2.6 | -4.5 | -63.4 | 2.6 | 0.0 | 0.3 |
| MISCELLANEOUS | 28.0 | -13.4 | -32.4 | 37.2 | 9.2 | 33.0 |
| TOTAL GROSS | 5,626.7 | 65.5 | 1.2 | 5,430.4 | -196.3 | -3.5 |
| PLUS: REV. ALLOTMENT RESERVE | 61.0 | 61.0 | 0.0 | 61.0 | 0.0 | 0.1 |
| UNCLAIMED PROPERTY | 10.0 | 10.0 | 0.0 | 0.0 | -10.0 | -100.0 |
| LESS: SCS/COF | 168.8 | 2.1 | 1.3 | 162.8 | -6.0 | -3.6 |
| SCS STABILIZATION TRANSFER | 0.0 | 0.0 | 0.0 | 20.0 | 20.0 | 0.0 |
| INDIVIDUAL REFUNDS | 499.4 | 32.9 | 7.0 | 488.1 | -11.3 | -2.3 |
| CORPORATE REFUNDS | 56.1 | -3.6 | -6.0 | 61.7 | 5.6 | 10.0 |
| CLAIMS | 10.0 | 10.0 | 0.0 | 0.0 | -10.0 | -100.0 |
| ECON DEVEL INCEN FUND | 23.4 | 8.4 | 56.3 | 12.1 | -11.3 | -48.3 |
| WATER/SEWER BONDS | 12.9 | 6.9 | 115.0 | 12.9 | 0.0 | 0.0 |
| COLLEGE SAVINGS BONDS | 24.0 | 0.1 | 0.3 | 23.7 | -0.3 | -1.4 |
| MLA CITY/CO TOURIST | 7.0 | -0.1 | -1.9 | 7.3 | 0.3 | 3.8 |
| EDUC EXCELLENCE | 289.9 | 1.7 | 0.6 | 284.1 | -5.8 | -2.0 |
| DESEG SETTLEMENT | 69.8 | 0.5 | 0.8 | 68.9 | -0.9 | -1.3 |
| ELDERLY TRANSP | 2.1 | 0.1 | 4.4 | 1.8 | -0.3 | -15.6 |
| EDUCATIONAL ADQCY | 25.6 | 0.1 | 0.5 | 25.1 | -0.5 | -1.9 |
| NET AVAILABLE | 4,508.7 | 74.0 | 1.7 | 4,323.1 | -185.6 | -4.1 |

PREPARED BY THE OFFICE OF ECONOMIC ANALYSIS AND TAX RESEARCH, DF&A

ECONOMIC NOTES

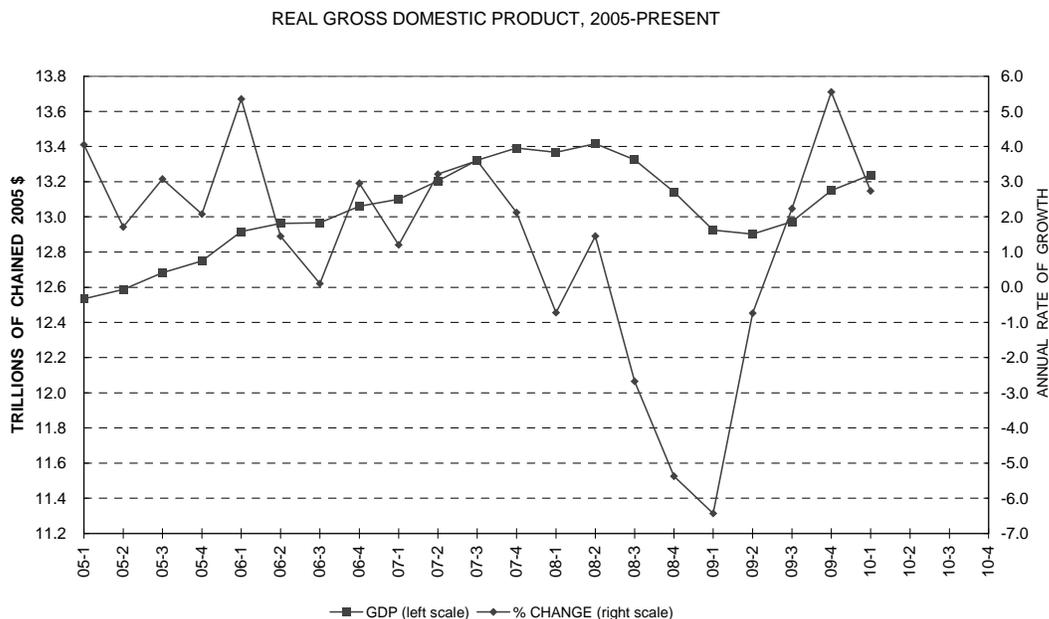
Most Recent Estimate of GDP Growth

Gross Domestic Product (GDP) is a measure of the nation's overall output of domestically produced goods and services. Quarterly estimates of GDP are released on the following schedule: Advance estimates, based on preliminary and incomplete source data and BEA assumptions about the missing source data, are released in the first month after the end of the quarter. "Second" estimates (formerly called preliminary) and "third" estimates (formerly called final), which incorporate additional and revised source data, are released in the second and third months, respectively.

The U.S. economy increased at a 2.7% annual rate in the first quarter of 2010 according to the Commerce Department's "third" estimate for GDP growth. In the fourth quarter, real GDP increased 5.6 percent. The Department noted that "The increase in real GDP in the first quarter primarily reflected positive contributions from personal consumption expenditures (PCE), private inventory investment, exports, and nonresidential fixed investment that were partly offset by negative contributions from state and local government spending and residential fixed investment. Imports, which are a subtraction in the calculation of GDP, increased."

Quarterly estimates of GDP since the first quarter of 2005, and the annualized growth rates implied by these estimates, are displayed in the graph below.

More detailed information about Gross Domestic Product may be found at the BEA's Web site at <www.bea.gov>.



Institute for Supply Management's Purchasing Managers' Index (PMI)

The Institute for Supply Management reported that the Purchasing Managers' Index fell from 59.7 in May to 56.2 in June. "The manufacturing sector continued to grow during June; however, the rate of growth as indicated by the PMI slowed when compared to May. The lower reading for the PMI came from a slowing in the New Orders and Production Indexes. We are now 11 months into the manufacturing recovery, and given the robust nature of recent growth, it is not surprising that we would see a slower rate of growth at this time. The sector appears to be solidly entrenched in the recovery. Comments from the respondents remain generally positive, but expectations have been that the second half of the year will not be as strong in terms of the rate of growth, and June appears to validate that forecast," reported Norbert J. Ore, CPSM, C.P.M., chair of the Institute for Supply Management's Manufacturing Business Survey Committee.

The 50 percent mark is generally interpreted as the dividing line between growth and contraction in the manufacturing sector. According to the index, economic activity in the manufacturing sector expanded in June for the 11th consecutive month. The 42 percent mark is generally interpreted as the dividing line between growth and contraction in the overall economy. According to the index, the overall economy grew for the 14th consecutive month. If the PMI for June is annualized, it corresponds to a 4.8 percent increase in real GDP annually.

The Purchasing Managers' Index is based on a nationwide survey of purchasing and supply executives in a variety of manufacturing industries. Membership of the Manufacturing Business Survey Committee is diversified by North American Industry Classification System (NAICS) code, based on each industry's contribution to gross domestic product (GDP). The survey gauges improvement or decline in areas such as new orders, production, employment, and inventories.

The chart below tracks performance of the Purchasing Managers' Index since January 2004.



Labor Force Statistics, Arkansas and the U.S.

The U.S. Bureau of Labor Statistics reported that seasonally adjusted nonfarm employment for the nation fell by 125,000 in June to a level of 130.5 million. This follows a revised gain of 433,000 in May. In June, Construction employment decreased by 22,000, while Manufacturing employment rose by 9,000. Wholesale Trade employment rose by 1,000 while Retail Trade employment decreased by 6,600. Employment in Financial Activities fell by 15,000. Health Care added 9,300 jobs. Employment in the Government sector fell by 208,000, with decreases in Federal, State and Local Government. Federal government decreases reflect declines in the number of temporary workers for Census 2010. The national unemployment rate fell from 9.7 percent in May to 9.5 percent in June. The rate is unchanged from 9.5 percent in June 2009.

In Arkansas, the Department of Workforce Services reported that nonfarm payroll employment (not seasonally adjusted) increased 3,400 from May to a level of 1,168,400 in June. Trade employment increased by 1,300 (+700 Wholesale, +600 Retail) on this seasonally unadjusted basis. Employment in Manufacturing rose by 1,700. Employment in Educational & Health Services increased by 2,800, while employment in Leisure & Hospitality rose by 600. Government employment decreased by 4,700. Information sector employment fell by 200. The State's seasonally adjusted unemployment rate fell from 7.7 percent in May to 7.5 percent in June. The rate is up from 7.3 percent in June 2009. The June state rate is now 2.0 percentage points below the national rate. The state rate was 2.2 percentage points below the national rate one year ago.

Compared to June 2009, payroll employment in Arkansas is up by 4,500 in this preliminary estimate. The largest year-over-year gain of 6,700 occurred in Educational & Health Services. The sector with the largest percentage gain was Federal Government at 14.2 percent followed by Social Assistance at 9.6 percent. The major sectors with growth from June 2009 were Construction, Manufacturing, Educational & Health Services, Other Services, and Government. Manufacturing employment is up by 3,500 jobs (2.2 percent). The Information sector is down by 1,700 from June 2009.

ARKANSAS NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT, BY INDUSTRIAL SECTOR

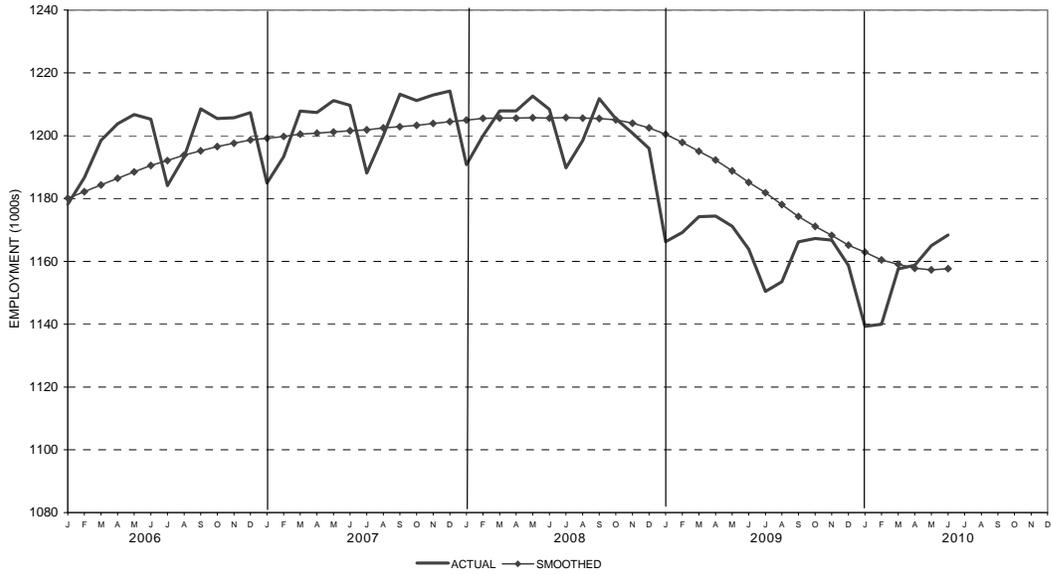
| | JUNE 2010 | MAY 2010 | JUNE 2009 | CHANGE SINCE: | | | |
|---|--------------|-------------|--------------|---------------|------|-----------|-------|
| | | | | LAST MONTH | | LAST YEAR | |
| | | | | N | % | N | % |
| TOTAL NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT (1,000s) | 1168.4 | 1165.0 | 1163.9 | 3.4 | 0.3 | 4.5 | 0.4 |
| MINING & LOGGING | 9.6 | 9.5 | 10.2 | 0.1 | 1.1 | -0.6 | -5.9 |
| CONSTRUCTION | 53.4 | 52.6 | 51.8 | 0.8 | 1.5 | 1.6 | 3.1 |
| MANUFACTURING | 166.0 | 164.3 | 162.5 | 1.7 | 1.0 | 3.5 | 2.2 |
| DURABLE GOODS | 80.5 | 80.0 | 79.7 | 0.5 | 0.6 | 0.8 | 1.0 |
| NONDURABLE GOODS | 85.5 | 84.3 | 82.8 | 1.2 | 1.4 | 2.7 | 3.3 |
| WHOLESALE & RETAIL TRADE | 174.3 | 173.0 | 177.0 | 1.3 | 0.8 | -2.7 | -1.5 |
| TRANSP. & UTILITIES | 55.8 | 55.5 | 58.1 | 0.3 | 0.5 | -2.3 | -4.0 |
| INFORMATION | 14.9 | 15.1 | 16.6 | -0.2 | -1.3 | -1.7 | -10.2 |
| FINANCIAL ACTIVITIES | 50.4 | 50.7 | 51.0 | -0.3 | -0.6 | -0.6 | -1.2 |
| SERVICES | 424.7 | 420.3 | 422.6 | 4.4 | 1.0 | 2.1 | 0.5 |
| GOVERNMENT | 219.3 | 224.0 | 214.1 | -4.7 | -2.1 | 5.2 | 2.4 |

SOURCE: Arkansas Department of Workforce Services

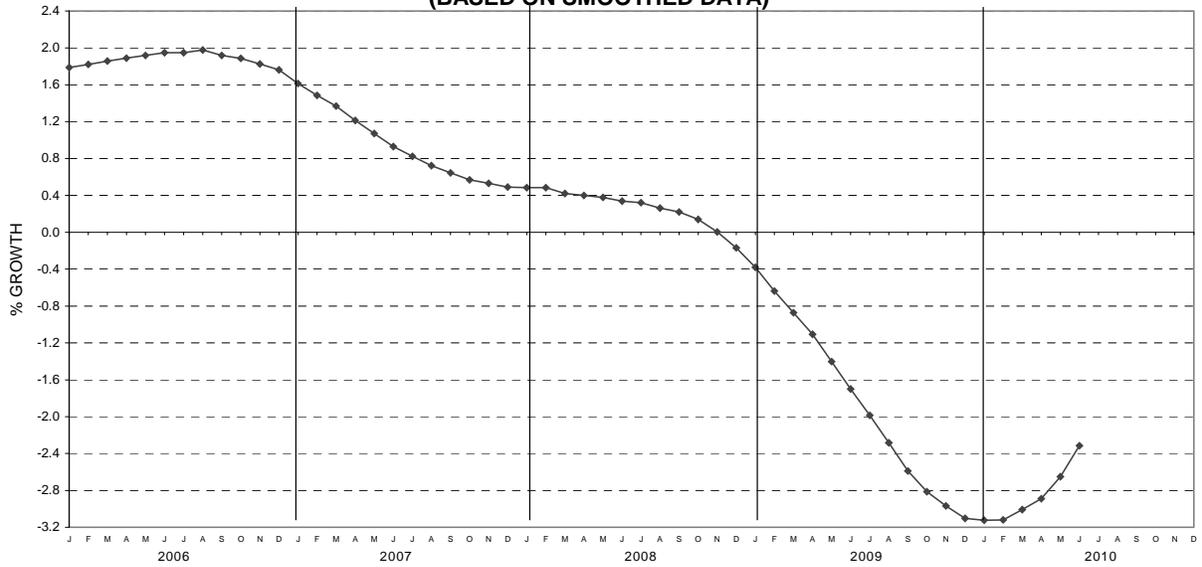
The graphs on the next page place Arkansas' employment growth patterns in a somewhat longer historical context. The upper graph shows the absolute level of nonagricultural employment in the state. The "actual" or unadjusted data show the seasonality of employment in the state, with sharp drops in employment occurring in January and July, while the "smoothed" data (12-month moving averages) reveal the underlying trends in employment.

Underlying growth trends are portrayed even more clearly in the lower graph, which gives the percentage increase in employment over a 12-month period, based on the smoothed data shown above. After accounting for seasonal factors, the annualized rate of employment growth in the state was -2.3 percent in June 2010. The data in these two graphs reflect the benchmark revisions made by DWS and BLS in January 2010 to the data for 2008 and 2009.

ARKANSAS' NON-FARM PAYROLL EMPLOYMENT



**ARKANSAS' 12-MONTH EMPLOYMENT GROWTH
(BASED ON SMOOTHED DATA)**



The table below places Arkansas' employment growth in comparative national perspective. For the 12-month period ending in June 2010, Arkansas' employment growth rate of -2.3 percent ranked 11th in the nation. Over the same 12-month period, employment in the nation as a whole fell by 2.9 percent.

TOTAL NONAGRICULTURAL JOB GROWTH FOR THE U.S. AND STATES:
12 MONTHS ENDING JUNE 2010 VS. 12 MONTHS ENDING JUNE 2009

| State | Rank June 2010 | Percent Change | Rank June 2009 | Thousands of Jobs | | |
|----------------------|----------------------|-------------------|----------------------|-------------------|----------------|----------------|
| | | | | Job Growth | June 2010 | June 2009 |
| Alaska..... | 1 | 0.3 | 2 | 0.9 | 322.8 | 321.9 |
| North Dakota..... | 2 | 0.2 | 1 | 0.7 | 367.8 | 367.1 |
| South Dakota..... | 3 | -1.6 | 6 | -6.6 | 401.8 | 408.4 |
| Nebraska..... | 4 | -1.8 | 9 | -17.1 | 939.6 | 956.8 |
| Louisiana..... | 5 | -1.9 | 4 | -37.4 | 1,889.1 | 1,926.6 |
| New Hampshire..... | 6 | -2.0 | 16 | -12.4 | 624.0 | 636.5 |
| New York..... | 7 | -2.1 | 10 | -179.7 | 8,509.7 | 8,689.4 |
| Maryland..... | 8 | -2.2 | 18 | -55.7 | 2,506.8 | 2,562.5 |
| Texas..... | 9 | -2.2 | 5 | -234.8 | 10,267.7 | 10,502.5 |
| Iowa..... | 10 | -2.3 | 12 | -34.3 | 1,470.6 | 1,504.9 |
| Arkansas..... | 11 | -2.3 | 17 | -27.4 | 1,157.7 | 1,185.1 |
| Kentucky..... | 12 | -2.3 | 34 | -42.1 | 1,765.7 | 1,807.8 |
| Vermont..... | 13 | -2.4 | 22 | -7.2 | 295.1 | 302.3 |
| Pennsylvania..... | 14 | -2.4 | 14 | -136.4 | 5,579.0 | 5,715.4 |
| Montana..... | 15 | -2.4 | 25 | -10.7 | 426.9 | 437.6 |
| Virginia..... | 16 | -2.5 | 13 | -91.3 | 3,616.0 | 3,707.3 |
| West Virginia..... | 17 | -2.5 | 7 | -18.8 | 737.7 | 756.5 |
| Massachusetts..... | 18 | -2.6 | 15 | -84.3 | 3,154.5 | 3,238.8 |
| New Jersey..... | 19 | -2.6 | 31 | -103.2 | 3,862.4 | 3,965.6 |
| Missouri..... | 20 | -2.7 | 24 | -74.4 | 2,666.7 | 2,741.2 |
| Maine..... | 21 | -2.8 | 23 | -16.8 | 590.1 | 606.8 |
| South Carolina..... | 22 | -2.9 | 46 | -54.3 | 1,815.4 | 1,869.7 |
| Hawaii..... | 23 | -2.9 | 35 | -17.7 | 587.7 | 605.4 |
| UNITED STATES..... | | -2.9 | | -3,950.4 | 129,985.8 | 133,936.2 |
| Minnesota..... | 24 | -3.0 | 26 | -80.8 | 2,634.4 | 2,715.2 |
| Utah..... | 25 | -3.0 | 32 | -37.0 | 1,186.1 | 1,223.1 |
| Mississippi..... | 26 | -3.0 | 33 | -34.1 | 1,087.6 | 1,121.7 |
| Connecticut..... | 27 | -3.0 | 28 | -50.7 | 1,614.5 | 1,665.2 |
| Kansas..... | 28 | -3.3 | 11 | -44.7 | 1,329.1 | 1,373.8 |
| North Carolina..... | 29 | -3.3 | 36 | -131.5 | 3,896.1 | 4,027.6 |
| Delaware..... | 30 | -3.3 | 29 | -13.9 | 412.5 | 426.4 |
| Oklahoma..... | 31 | -3.3 | 8 | -51.6 | 1,522.5 | 1,574.1 |
| New Mexico..... | 32 | -3.3 | 19 | -27.6 | 804.1 | 831.7 |
| Indiana..... | 33 | -3.3 | 41 | -95.5 | 2,777.0 | 2,872.5 |
| Tennessee..... | 34 | -3.7 | 42 | -98.6 | 2,598.6 | 2,697.2 |
| Washington..... | 35 | -3.7 | 21 | -107.2 | 2,795.6 | 2,902.7 |
| Rhode Island..... | 36 | -3.8 | 39 | -17.7 | 453.0 | 470.7 |
| Wisconsin..... | 37 | -3.8 | 27 | -107.0 | 2,717.2 | 2,824.2 |
| Alabama..... | 38 | -3.8 | 37 | -74.0 | 1,866.9 | 1,940.9 |
| Illinois..... | 39 | -3.8 | 30 | -222.5 | 5,596.4 | 5,818.9 |
| Florida..... | 40 | -3.8 | 49 | -286.8 | 7,191.5 | 7,478.3 |
| Idaho..... | 41 | -3.9 | 45 | -24.3 | 605.1 | 629.4 |
| Ohio..... | 42 | -3.9 | 38 | -204.9 | 5,020.4 | 5,225.2 |
| Colorado..... | 43 | -4.1 | 20 | -94.1 | 2,211.9 | 2,306.0 |
| Michigan..... | 44 | -4.2 | 47 | -166.8 | 3,845.1 | 4,011.9 |
| Georgia..... | 45 | -4.2 | 40 | -168.0 | 3,824.8 | 3,992.7 |
| Oregon..... | 46 | -4.3 | 43 | -71.3 | 1,595.1 | 1,666.5 |
| Wyoming..... | 47 | -4.4 | 3 | -12.9 | 282.3 | 295.2 |
| California..... | 48 | -4.7 | 44 | -683.6 | 13,879.5 | 14,563.1 |
| Arizona..... | 49 | -4.9 | 48 | -124.2 | 2,397.0 | 2,521.2 |
| Nevada..... | 50 | -6.7 | 50 | -80.7 | 1,125.6 | 1,206.4 |

SOURCE: U.S. Bureau of Labor Statistics and DFA-Economic Analysis & Tax Research calculations

12 Month Summary of FY 2010 General Revenue Collections

| | July 2009 | August 2009 | September 2009 | October 2009 | November 2009 | December 2009 |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| REVENUES | | | | | | |
| Individual Income | \$173,794,116.89 | \$177,342,773.31 | \$226,773,702.82 | \$191,293,791.64 | \$190,728,627.91 | \$178,624,509.22 |
| Corporate Income | \$18,669,702.35 | \$5,771,597.75 | \$45,706,608.52 | \$10,042,228.38 | \$83,809,776.37 | \$63,416,220.68 |
| Sales and Use | \$171,604,975.42 | \$171,695,209.36 | \$161,473,948.58 | \$161,939,437.57 | \$154,492,501.83 | \$158,700,648.72 |
| Alcoholic Beverage | \$4,395,210.07 | \$3,594,442.65 | \$3,495,127.88 | \$3,558,856.23 | \$3,557,882.39 | \$3,431,067.07 |
| Tobacco | \$21,592,992.46 | \$21,477,259.40 | \$20,734,537.89 | \$20,254,269.58 | \$22,617,815.33 | \$20,214,758.57 |
| Insurance | \$708,507.67 | \$20,018,307.08 | \$982,433.43 | \$868,949.42 | \$21,745,675.43 | \$845,571.30 |
| Severance | \$1,088,921.36 | \$937,012.84 | \$1,159,749.67 | \$1,098,497.39 | \$1,012,085.29 | \$1,195,972.38 |
| Franchise | \$703,441.52 | \$371,533.13 | \$738,822.55 | \$541,936.16 | \$175,734.02 | \$459,603.23 |
| Estate | \$6,907.91 | \$0.00 | \$0.00 | \$2,982.24 | \$46,380.03 | \$0.00 |
| Real Estate Transfer | \$755,296.03 | \$622,103.93 | \$784,138.36 | \$446,250.00 | \$0.00 | \$0.00 |
| Racing | \$239,547.56 | \$447,118.01 | \$357,889.46 | \$283,329.90 | \$434,708.87 | \$153,714.16 |
| Games of Skill | \$568,517.60 | \$601,936.20 | \$602,293.55 | \$594,582.25 | \$632,920.69 | \$578,647.76 |
| Miscellaneous | \$12,122,148.92 | \$1,436,380.94 | \$1,366,202.88 | \$1,339,686.12 | \$1,396,698.50 | \$1,712,106.87 |
| Gross General Revenues | \$406,250,285.76 | \$404,315,674.60 | \$464,175,455.59 | \$392,264,796.88 | \$480,650,806.66 | \$429,332,819.96 |
| TRANSFERS IN | \$61,049,112.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| DEDUCTIONS | | | | | | |
| SCS/COF | \$12,187,508.57 | \$12,129,470.24 | \$13,925,263.67 | \$11,767,943.91 | \$14,419,524.20 | \$12,879,984.60 |
| SCS Stabilization Transfers | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Individual Income Tax Refunds | \$8,127,055.31 | \$8,884,632.09 | \$6,961,126.07 | \$20,841,301.40 | \$14,375,164.27 | \$3,967,671.98 |
| Corporate Income Tax Refunds | \$1,414,820.08 | \$2,685,608.69 | \$1,105,310.53 | \$3,227,144.18 | \$22,415,772.25 | \$4,008,849.16 |
| Claims | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Economic Development Incentive Fund | \$540,726.30 | \$1,299,494.48 | \$824,635.32 | \$2,635,815.48 | \$0.00 | \$143,339.26 |
| Water/Sewer Bonds | \$1,100,000.00 | \$1,100,000.00 | \$1,100,000.00 | \$1,100,000.00 | \$1,100,000.00 | \$1,100,000.00 |
| College Savings Bonds | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$5,636,398.36 | \$0.00 |
| MLA City/County | \$1,816,578.00 | \$0.00 | \$0.00 | \$1,816,578.00 | \$0.00 | \$0.00 |
| Educational Excellence | \$23,675,352.33 | \$23,673,054.61 | \$23,673,054.61 | \$23,673,054.61 | \$23,673,054.61 | \$23,673,054.61 |
| Desegregation | \$4,200,000.00 | \$11,000,000.00 | \$4,000,000.00 | \$11,500,000.00 | \$5,200,000.00 | \$5,100,000.00 |
| Elderly Transportation | \$156,165.15 | \$154,802.30 | \$150,786.50 | \$147,585.50 | \$166,034.90 | \$150,577.95 |
| Educational Adequacy | \$2,092,941.33 | \$2,092,738.24 | \$2,092,738.24 | \$2,092,738.24 | \$2,092,738.24 | \$2,092,738.24 |
| Net Available Revenue for Distribution | \$411,988,250.69 | \$341,295,873.95 | \$410,342,540.65 | \$313,462,635.56 | \$391,572,119.83 | \$376,216,604.16 |

12 Month Summary of FY 2010 General Revenue Collections

| | January 2010 | February 2010 | March 2010 | April 2010 | May 2010 | June 2010 |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| REVENUES | | | | | | |
| Individual Income | \$282,154,727.42 | \$177,852,291.94 | \$194,873,882.43 | \$364,765,834.94 | \$196,481,644.56 | \$224,510,359.31 |
| Corporate Income | \$32,667,751.16 | \$4,112,899.21 | \$51,607,241.02 | \$37,651,482.80 | \$12,751,949.70 | \$57,413,340.37 |
| Sales and Use | \$177,929,666.81 | \$156,897,391.01 | \$159,831,032.38 | \$165,571,684.65 | \$162,942,378.18 | \$163,038,644.24 |
| Alcoholic Beverage | \$3,970,831.84 | \$3,015,832.36 | \$3,480,164.41 | \$3,782,142.39 | \$3,770,637.58 | \$6,213,434.49 |
| Tobacco | \$17,407,010.81 | \$18,153,524.96 | \$19,249,502.28 | \$22,646,685.25 | \$19,183,725.57 | \$21,555,272.69 |
| Insurance | \$430,135.71 | \$547,491.18 | \$18,723,993.25 | \$479,340.55 | \$1,119,623.26 | \$27,876,125.67 |
| Severance | \$1,102,956.86 | \$1,155,482.67 | \$1,984,655.04 | \$1,399,728.86 | \$1,322,764.76 | \$1,289,033.32 |
| Franchise | \$284,387.02 | \$501,872.76 | \$2,298,932.52 | \$1,923,737.09 | \$0.00 | \$0.00 |
| Estate | \$0.00 | \$0.00 | \$14,481.96 | \$18,473.61 | \$0.00 | \$0.00 |
| Real Estate Transfer | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Racing | \$465,993.01 | \$479,386.37 | \$593,008.78 | \$204,396.90 | \$660,667.78 | \$255,695.30 |
| Games of Skill | \$620,395.22 | \$733,349.90 | \$925,089.63 | \$989,874.83 | \$841,727.71 | \$848,659.93 |
| Miscellaneous | \$8,221,295.71 | \$1,537,318.31 | \$1,537,458.81 | \$1,723,393.57 | \$2,278,392.32 | \$2,575,264.32 |
| Gross General Revenues | \$525,255,151.57 | \$364,986,840.67 | \$455,119,442.51 | \$601,156,775.44 | \$401,353,511.42 | \$505,575,829.64 |
| TRANSFERS IN | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| DEDUCTIONS | | | | | | |
| SCS/COF | \$15,783,365.10 | \$10,950,272.76 | \$13,653,806.43 | \$18,153,320.79 | \$12,072,832.36 | \$14,836,748.98 |
| SCS Stabilization Transfers | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$20,000,000.00 |
| Individual Income Tax Refunds | \$28,746,625.36 | \$134,589,800.23 | \$116,317,968.99 | \$103,233,357.53 | \$28,546,117.04 | \$13,523,649.09 |
| Corporate Income Tax Refunds | \$6,628,168.24 | \$2,984,186.44 | \$6,575,647.74 | \$2,818,520.63 | \$304,001.88 | \$7,561,566.32 |
| Claims | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Economic Development Incentive Fund | \$50,286.04 | \$1,712,400.76 | \$172,486.60 | \$0.00 | \$4,081,000.41 | \$644,871.35 |
| Water/Sewer Bonds | \$1,100,000.00 | \$1,100,000.00 | \$1,100,000.00 | \$1,000,000.00 | \$1,000,000.00 | \$1,000,000.00 |
| College Savings Bonds | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$18,021,831.26 | \$0.00 |
| MLA City/County | \$1,816,578.00 | \$0.00 | \$0.00 | \$1,816,578.00 | \$0.00 | \$0.00 |
| Educational Excellence | \$23,673,054.61 | \$23,673,054.61 | \$23,673,054.61 | \$23,673,054.61 | \$23,673,054.61 | \$23,673,054.57 |
| Desegregation | \$5,100,000.00 | \$6,300,000.00 | \$6,200,000.00 | \$6,500,000.00 | \$0.00 | \$3,764,614.91 |
| Elderly Transportation | \$116,700.70 | \$129,818.64 | \$142,489.46 | \$157,731.70 | \$135,503.86 | \$164,803.29 |
| Educational Adequacy | \$2,092,738.24 | \$2,092,738.24 | \$2,092,738.24 | \$2,092,738.24 | \$2,092,738.24 | \$2,092,738.27 |
| Surplus to Allotment Reserve | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Net Available Revenue for Distribution | \$440,147,635.28 | \$181,454,568.99 | \$285,191,250.44 | \$441,711,473.94 | \$311,426,431.76 | \$418,313,782.86 |

OFFICIAL FORECAST OF GENERAL REVENUE AVAILABLE FOR DISTRIBUTION

Revised Forecast - May 4, 2010

| FUND ACCOUNTS | FY10 JANUARY 10, 2010 FORECAST | Fiscal Year 2010 | | | | | OVER/(UNDER) | | % DIFFERENCE |
|--|--------------------------------------|------------------------|--------------------|---------------------|------------------------|------------------------|-----------------------|-----------------------------|--------------|
| | | "A" | "B-1" | "B" | TOTAL | FORECAST | FY10 Jan. 10 FRCST | OVER - FY10 Jan 10 FRCST | |
| | | | | | ALLOCATION | 94.73 of "A" | | | |
| General Education | \$1,776,775,546 | \$1,857,702,646 | | \$27,847,310 | \$1,885,549,956 | \$1,759,844,444 | (\$16,931,102) | -0.95% | |
| State Library | 5,451,691 | 5,700,000 | | | 5,700,000 | 5,399,741 | (51,950) | -0.95% | |
| Workforce Education | 31,029,908 | 32,443,233 | 1,000,000 | 1,000,000 | 34,443,233 | 30,734,221 | (295,688) | -0.95% | |
| PUBLIC SCHOOL FUND | \$1,813,257,145 | \$1,895,845,879 | \$1,000,000 | \$28,847,310 | \$1,925,693,189 | \$1,795,978,406 | (\$17,278,739) | -0.95% | |
| GENERAL EDUCATION FUND | | | | | | | | | |
| Dept. of Education | \$17,447,468 | \$18,242,151 | \$1,000,000 | \$557,239 | \$19,799,390 | \$17,281,209 | (\$166,259) | -0.95% | |
| Educational Facilities Partnership | 33,475,295 | 35,000,000 | | 0 | 35,000,000 | 33,156,305 | (318,990) | -0.95% | |
| Academic Facilities & Transportation | 2,387,053 | \$2,495,777 | | 50,584 | 2,546,361 | 2,364,307 | (22,747) | -0.95% | |
| Educational Television | 4,894,492 | 5,117,422 | | 142,233 | 5,259,655 | 4,847,852 | (46,640) | -0.95% | |
| School for the Blind | 5,832,733 | 6,098,397 | | 129,777 | 6,228,174 | 5,777,152 | (55,581) | -0.95% | |
| School for the Deaf | 10,075,840 | 10,534,766 | | 346,580 | 10,881,346 | 9,979,826 | (96,014) | -0.95% | |
| State Library | 3,213,252 | 3,359,607 | | 103,736 | 3,463,343 | 3,182,633 | (30,619) | -0.95% | |
| Dept. of Career Education | 2,927,951 | 3,061,311 | | 129,384 | 3,190,695 | 2,900,050 | (27,901) | -0.95% | |
| Rehabilitation Services | 12,418,335 | 12,983,955 | | 270,081 | 13,254,036 | 12,299,999 | (118,336) | -0.95% | |
| Subtotal - General Education | \$92,672,419 | \$96,893,386 | \$1,000,000 | \$1,729,614 | \$99,623,000 | \$91,789,333 | (\$883,086) | -0.95% | |
| Technical Institutes: | | | | | | | | | |
| Crowley's Ridge TI | \$2,484,004 | 2,597,143 | | 49,248 | \$2,646,391 | \$2,460,333 | (\$23,670) | -0.95% | |
| Northwest TI | 2,854,887 | 2,984,919 | | 82,534 | 3,067,453 | 2,827,682 | (27,205) | -0.95% | |
| Riverside VTS | 2,131,180 | 2,228,249 | | 74,640 | 2,302,889 | 2,110,872 | (20,308) | -0.95% | |
| Subtotal - Technical Institutes | \$7,470,070 | \$7,810,311 | \$0 | \$206,422 | \$8,016,733 | \$7,398,887 | (\$71,183) | -0.95% | |
| TOTAL GENERAL ED. FUND | \$100,142,490 | \$104,703,697 | \$1,000,000 | \$1,936,036 | \$107,639,733 | \$99,188,220 | (\$954,269) | -0.95% | |
| HUMAN SERVICES FUND | | | | | | | | | |
| DHS-Administration | \$15,029,948 | \$15,714,520 | | \$613,583 | \$16,328,103 | \$14,886,726 | (\$143,222) | -0.95% | |
| Aging and Adult Services | 16,715,206 | 17,476,536 | | 131,398 | 17,607,934 | 16,555,925 | (159,281) | -0.95% | |
| Children & Family Services | 47,587,483 | 49,754,958 | | 359,418 | 50,114,376 | 47,134,016 | (453,467) | -0.95% | |
| Child Care/Early Childhood Ed. | 541,555 | 566,221 | | 9,079 | 575,300 | 536,394 | (5,161) | -0.95% | |
| Youth Services | 46,473,610 | 48,590,352 | | 63,220 | 48,653,572 | 46,030,758 | (442,852) | -0.95% | |
| Devel. Disab. Services | 59,491,697 | 62,201,375 | | 888,312 | 63,089,687 | 58,924,793 | (566,903) | -0.95% | |
| Medical Services | 4,803,389 | 5,022,170 | | 92,399 | 5,114,569 | 4,757,617 | (45,772) | -0.95% | |
| DHS-Grants | 664,747,076 | 695,024,425 | 4,000,000 | | 699,024,425 | 658,412,623 | (6,334,453) | -0.95% | |
| Behavioral Health | 72,686,917 | 75,997,600 | | 636,170 | 76,633,770 | 71,994,274 | (692,642) | -0.95% | |
| Services for the Blind | 1,811,639 | 1,894,154 | | 18,477 | 1,912,631 | 1,794,376 | (17,263) | -0.95% | |
| County Operations | 45,367,960 | 47,434,342 | | 1,471,569 | 48,905,911 | 44,935,643 | (432,317) | -0.95% | |
| TOTAL HUMAN SERVICES | \$975,256,479 | \$1,019,676,653 | \$4,000,000 | \$4,283,625 | \$1,027,960,278 | \$965,963,146 | (\$9,293,333) | -0.95% | |

OFFICIAL FORECAST OF GENERAL REVENUE AVAILABLE FOR DISTRIBUTION

Revised Forecast - May 4, 2010

| FUND ACCOUNTS | FY10 JANUARY 10, 2010 FORECAST | Fiscal Year 2010 | | | | | | OVER/(UNDER) FY10 Jan. 10 FRCST | % DIFFERENCE OVER - FY10 Jan 10 FRCST |
|---|--------------------------------------|----------------------|---------------------|--------------------|----------------------|--------------------------|----------------------|---------------------------------------|---|
| | | "A" | "B-1" | "B" | TOTAL ALLOCATION | FORECAST 94.73 of "A" | | | |
| | | | | | | | | | |
| STATE GENERAL GOV'T FUND | | | | | | | | | |
| Dept. of Ark. Heritage | \$5,944,923 | \$6,215,697 | | \$198,349 | \$6,414,046 | \$5,888,273 | (\$56,650) | -0.95% | |
| Department of Agriculture | 15,202,804 | 15,895,249 | | | 15,895,249 | 15,057,935 | (144,869) | -0.95% | |
| Dept. of Labor | 2,811,404 | 2,939,456 | | 141,030 | 3,080,486 | 2,784,614 | (26,790) | -0.95% | |
| Dept. of Higher Education | 3,181,649 | 3,326,564 | | 68,911 | 3,395,475 | 3,151,331 | (30,318) | -0.95% | |
| Dept. of H.E.-Grants | 33,151,253 | 34,661,199 | | | 34,661,199 | 32,835,351 | (315,902) | -0.95% | |
| Dept. of Economic Development | 9,870,677 | 10,320,258 | | 146,586 | 10,466,844 | 9,776,618 | (94,059) | -0.95% | |
| Dept. of Correction | 274,539,687 | 287,044,193 | 18,908,686 | | 305,952,879 | 271,923,566 | (2,616,121) | -0.95% | |
| Dept. of Community Correction | 61,887,009 | 64,705,787 | 9,435,696 | | 74,141,483 | 61,297,280 | (589,729) | -0.95% | |
| State Military Department | 9,201,778 | 9,620,893 | | 171,502 | 9,792,395 | 9,114,093 | (87,685) | -0.95% | |
| Dept. of Parks & Tourism | 21,648,999 | 22,635,050 | | 866,124 | 23,501,174 | 21,442,703 | (206,296) | -0.95% | |
| Dept. of Environmental Quality | 4,046,983 | 4,231,312 | | 98,441 | 4,329,753 | 4,008,419 | (38,564) | -0.95% | |
| Miscellaneous Agencies | 54,130,859 | 56,596,366 | | | 56,596,366 | 53,615,039 | (515,819) | -0.95% | |
| TOTAL STATE GENERAL GOV'T | \$495,618,025 | \$518,192,024 | \$28,344,382 | \$1,690,943 | \$548,227,349 | \$490,895,223 | (\$4,722,802) | -0.95% | |
| OTHER FUNDS | | | | | | | | | |
| County Aid | \$18,881,545 | \$19,741,546 | | | \$19,741,546 | \$18,701,621 | (\$179,924) | -0.95% | |
| County Jail Reimbursement | 9,086,185 | 9,500,035 | | | 9,500,035 | 8,999,602 | (86,583) | -0.95% | |
| Crime Information Center | 3,618,339 | 3,783,144 | | 197,022 | 3,980,166 | 3,583,859 | (34,480) | -0.95% | |
| Child Support Enforcement | 12,447,963 | 13,014,933 | | | 13,014,933 | 12,329,345 | (118,618) | -0.95% | |
| Dept. of Health | 87,431,037 | 91,413,273 | 10,000,000 | 2,457,556 | 103,870,829 | 86,597,896 | (833,141) | -0.95% | |
| Merit Adjustment Fund | 0 | 0 | | | 0 | 0 | 0 | -- | |
| Motor Vehicle Acquisition | 0 | 0 | | | 0 | 0 | 0 | -- | |
| Municipal Aid | 26,308,259 | 27,506,526 | | | 27,506,526 | 26,057,565 | (250,694) | -0.95% | |
| State Police | 59,794,475 | 62,517,944 | 4,102,605 | | 66,620,549 | 59,224,686 | (569,789) | -0.95% | |
| Dept. of Workforce Services-TANF | 3,628,899 | 3,794,185 | | | 3,794,185 | 3,594,319 | (34,580) | -0.95% | |
| TOTAL OTHER FUNDS | \$221,196,702 | \$231,271,586 | \$14,102,605 | \$2,654,578 | \$248,028,769 | \$219,088,893 | (\$2,107,809) | -0.95% | |
| INSTITUTIONS OF HIGHER EDUCATION - Four Year Institutions: | | | | | | | | | |
| Arkansas State University | \$53,687,933 | \$56,133,267 | \$ 629,722 | | \$56,762,989 | \$53,176,335 | (\$511,599) | -0.95% | |
| Arkansas Tech University | 30,142,262 | 31,515,157 | 237,636 | | 31,752,793 | 29,855,033 | (287,229) | -0.95% | |
| Henderson State University | 17,986,518 | 18,805,753 | 39,984 | | 18,845,737 | 17,815,122 | (171,396) | -0.95% | |
| Southern Arkansas University | 14,849,115 | 15,525,450 | 83,053 | | 15,608,503 | 14,707,616 | (141,499) | -0.95% | |
| UA-Fayetteville | 111,418,998 | 116,493,818 | 2,181,005 | | 118,674,823 | 110,357,273 | (1,061,725) | -0.95% | |
| UA - Archeological Survey | 2,236,924 | 2,338,810 | 8,520 | | 2,347,330 | 2,215,609 | (21,316) | -0.95% | |
| UA - Agriculture | 60,359,358 | 63,108,556 | 389,942 | | 63,498,498 | 59,784,187 | (575,171) | -0.95% | |
| UA - Clinton School | 2,206,356 | 2,306,849 | 2,150 | | 2,308,999 | 2,185,331 | (21,025) | -0.95% | |
| UA - Criminal Justice Institute | 1,754,809 | 1,834,736 | 8,557 | | 1,843,293 | 1,738,088 | (16,722) | -0.95% | |
| UA-AR Sch.Math, Science, & Arts | 1,069,757 | 1,118,481 | 3,756 | | 1,122,237 | 1,059,563 | (10,194) | -0.95% | |
| U of A - Ft. Smith | 19,334,138 | 20,214,753 | 155,016 | | 20,369,769 | 19,149,900 | (184,237) | -0.95% | |
| UA-Little Rock | 57,435,877 | 60,051,919 | 454,993 | | 60,506,912 | 56,888,564 | (547,313) | -0.95% | |
| UA-Medical Sciences | 93,774,245 | 98,045,397 | 729,586 | | 98,774,983 | 92,880,660 | (893,586) | -0.95% | |
| UAMS - Child Safety Center | 692,580 | 724,125 | 0 | | 724,125 | 685,980 | (6,600) | -0.95% | |
| UAMS - Indigent Care | 5,134,553 | 5,368,417 | 4,286 | | 5,372,703 | 5,085,625 | (48,928) | -0.95% | |
| UA-Monticello | 15,217,166 | 15,910,265 | 41,685 | | 15,951,950 | 15,072,160 | (145,006) | -0.95% | |
| UA-Pine Bluff | 24,249,162 | 25,353,643 | 27,490 | | 25,381,133 | 24,018,089 | (231,073) | -0.95% | |
| University of Central Arkansas | 49,952,425 | 52,227,617 | 646,419 | | 52,874,036 | 49,476,423 | (476,003) | -0.95% | |
| Subtotal - 4 Year Institutions | \$561,502,177 | \$587,077,013 | \$5,643,798 | \$0 | \$592,720,811 | \$556,151,557 | (\$5,350,620) | -0.95% | |

OFFICIAL FORECAST OF GENERAL REVENUE AVAILABLE FOR DISTRIBUTION

Revised Forecast - May 4, 2010

| FUND ACCOUNTS | FY10 JANUARY 10, 2010 FORECAST | Fiscal Year 2010 | | | | | | OVER/(UNDER) | % DIFFERENCE |
|--|--------------------------------------|------------------------|---------------------|---------------------|------------------------|------------------------|-----------------------|---------------|--------------|
| | | "A" | "B-1" | "B" | TOTAL | FORECAST | FY10 | OVER - FY10 | |
| | | | | | ALLOCATION | 94.73 of "A" | Jan. 10 FRCST | Jan 10 FRCST | |
| INSTITUTIONS OF HIGHER EDUCATION - Two Year Institutions: | | | | | | | | | |
| Arkansas Northeastern College | \$8,243,698 | \$8,619,175 | \$ 424 | | \$8,619,599 | \$8,165,143 | (\$78,555) | -0.95% | |
| Arkansas State University - Beebe | 11,576,780 | 12,104,070 | 132,118 | | 12,236,188 | 11,466,464 | (110,316) | -0.95% | |
| Arkansas State Univ.-Mt. Home | 3,417,401 | 3,573,054 | 60,272 | | 3,633,326 | 3,384,836 | (32,565) | -0.95% | |
| Arkansas State Univ. - Newport | 5,759,398 | 6,021,722 | 58,169 | | 6,079,891 | 5,704,516 | (54,882) | -0.95% | |
| Cossatot C C of the UA | 3,198,241 | 3,343,912 | 52,790 | | 3,396,702 | 3,167,765 | (30,476) | -0.95% | |
| East Arkansas Cmty. College | 5,563,101 | 5,816,484 | 11,735 | | 5,828,219 | 5,510,089 | (53,011) | -0.95% | |
| Mid-South Cmty. College | 3,644,396 | 3,810,388 | 31,730 | | 3,842,118 | 3,609,668 | (34,728) | -0.95% | |
| National Park Cmty. College | 8,554,380 | 8,944,008 | 49,728 | | 8,993,736 | 8,472,864 | (81,516) | -0.95% | |
| North Arkansas College | 7,656,482 | 8,005,213 | 26,595 | | 8,031,808 | 7,583,522 | (72,960) | -0.95% | |
| NorthWest Arkansas Cmty. College | 9,403,786 | 9,832,102 | 218,151 | | 10,050,253 | 9,314,176 | (89,610) | -0.95% | |
| Phillips Cmty. College of the UA | 8,710,844 | 9,107,598 | 0 | | 9,107,598 | 8,627,837 | (83,007) | -0.95% | |
| Rich Mountain Cmty. College | 3,076,831 | 3,216,972 | 22,075 | | 3,239,047 | 3,047,512 | (29,319) | -0.95% | |
| Southern Ark. University - Tech | 5,393,515 | 5,639,174 | 99,263 | | 5,738,437 | 5,342,119 | (51,395) | -0.95% | |
| SAU-Tech-Envir. Control Center | 354,085 | 370,213 | 516 | | 370,729 | 350,711 | (3,374) | -0.95% | |
| SAU-Tech-Fire Training Academy | 1,587,045 | 1,659,330 | 0 | | 1,659,330 | 1,571,921 | (15,123) | -0.95% | |
| South Arkansas Cmty. College | 5,761,342 | 6,023,755 | 35,901 | | 6,059,656 | 5,706,442 | (54,901) | -0.95% | |
| U of A - Cmty. College at Batesville | 3,864,380 | 4,040,392 | 74,314 | | 4,114,706 | 3,827,556 | (36,824) | -0.95% | |
| U of A - Cmty. College at Hope | 4,317,412 | 4,514,058 | 6,843 | | 4,520,901 | 4,276,271 | (41,141) | -0.95% | |
| U of A - Cmty. College at Morrilton | 4,551,806 | 4,759,128 | 72,019 | | 4,831,147 | 4,508,431 | (43,375) | -0.95% | |
| Subtotal - 2 Year Institutions | \$104,634,923 | \$109,400,748 | \$952,643 | \$0 | \$110,353,391 | \$103,637,845 | (\$997,078) | -0.95% | |
| INSTITUTIONS OF HIGHER EDUCATION - Technical Colleges | | | | | | | | | |
| Black River | \$5,777,498 | \$6,040,647 | \$ 54,162 | | \$6,094,809 | \$5,722,444 | (\$55,054) | -0.95% | |
| Ouachita | 3,369,840 | 3,523,327 | 47,258 | | 3,570,585 | 3,337,729 | (32,112) | -0.95% | |
| Ozarka | 2,844,565 | 2,974,127 | 44,172 | | 3,018,299 | 2,817,459 | (27,106) | -0.95% | |
| Pulaski | 13,752,541 | 14,378,930 | 203,220 | | 14,582,150 | 13,621,491 | (131,050) | -0.95% | |
| Southeast Arkansas College | 5,417,719 | 5,664,481 | 51,515 | | 5,715,996 | 5,366,093 | (51,626) | -0.95% | |
| Subtotal - Technical Colleges | \$31,162,164 | \$32,581,512 | \$400,327 | | \$32,981,839 | \$30,865,216 | (\$296,948) | -0.95% | |
| TOTAL INST'S OF H. E. | \$697,299,264 | \$729,059,273 | \$6,996,768 | \$0 | \$736,056,041 | \$690,654,618 | (\$6,644,646) | -0.95% | |
| Grand Total | \$4,302,770,104 | \$4,498,749,112 | \$55,443,755 | \$39,412,492 | \$4,593,605,359 | \$4,261,768,505 | (\$41,001,599) | -0.95% | |

prepared by DFA - Office of Budget 5.4.10

**EDUCATIONAL EXCELLENCE TRUST FUND
OFFICIAL FORECAST
FISCAL YEAR 2010**

| FUND ACCOUNT | FY10 ORIGINAL FORECAST | FY10 REVISED FORECAST | DIFFERENCE |
|--|---------------------------------------|--------------------------------------|-----------------------|
| DEPT. OF EDUCATION PUBLIC SCHOOL FUND: | <u>\$194,696,064</u> | <u>\$190,786,665</u> | <u>(\$3,909,400)</u> |
| WORKFORCE EDUCATION PUBLIC SCHOOL FUND: | <u>\$11,900,318</u> | <u>\$11,661,366</u> | <u>(\$238,952)</u> |
| DEPARTMENT OF EDUCATION FUND ACCOUNT: | <u>\$953,845</u> | <u>\$934,692</u> | <u>(\$19,153)</u> |
| DEPARTMENT OF WORKFORCE EDUCATION FUND: | <u>\$3,571,517</u> | <u>\$3,499,803</u> | <u>(\$71,714)</u> |
| HIGHER EDUCATION GRANTS FUND ACCT: | <u>\$13,127,728</u> | <u>\$12,864,130</u> | <u>(\$263,598)</u> |
| SCHOOL FOR MATH, SCIENCE AND ARTS FUND: | <u>\$7,103,335</u> | <u>\$6,960,704</u> | <u>(\$142,631)</u> |
| INSTITUTIONS OF HIGHER EDUCATION: | | | |
| Four Year Institutions: | | | |
| Arkansas State University | \$5,998,521 | \$5,878,074 | (\$120,447) |
| Arkansas Tech University | 2,010,745 | 1,970,370 | (40,375) |
| Henderson State University | 2,080,021 | 2,038,255 | (41,766) |
| Southern Arkansas University | 1,229,754 | 1,205,061 | (24,693) |
| UA - Fayetteville | 14,885,049 | 14,586,164 | (298,884) |
| UA - Little Rock | 5,282,226 | 5,176,162 | (106,064) |
| UA Medical Center | 9,094,958 | 8,912,336 | (182,622) |
| UAMS - Indigent Care | 226,318 | 221,773 | (4,544) |
| UA - Monticello | 1,061,316 | 1,040,006 | (21,311) |
| UA - Pine Bluff | 1,842,422 | 1,805,428 | (36,995) |
| University of Central Arkansas | 4,577,751 | 4,485,832 | (91,919) |
| Two Year Institutions: | | | |
| Arkansas Northeastern College | 717,428 | 703,022 | (14,406) |
| ASU - Beebe | 1,431,136 | 1,402,399 | (28,736) |
| East Arkansas Community College | 748,949 | 733,911 | (15,039) |
| National Park Community College | 1,120,159 | 1,097,666 | (22,492) |
| North Arkansas College | 442,321 | 433,439 | (8,882) |
| Northwest Arkansas Community College | 989,931 | 970,054 | (19,877) |
| Phillips Community College - U of A | 729,375 | 714,729 | (14,645) |
| Rich Mountain Community College | 197,695 | 193,726 | (3,970) |
| SAU - Tech | 321,076 | 314,629 | (6,447) |
| South Arkansas Community College | 512,227 | 501,942 | (10,285) |
| UA - Fort Smith | 3,047,815 | 2,986,616 | (61,199) |
| TOTAL INSTITUTIONS OF HIGHER EDUCATION | \$ 58,547,192 | \$ 57,371,594 | \$ (1,175,598) |
| GRAND TOTAL | \$ 289,900,000 | \$ 284,078,953 | \$ (5,821,047) |

August 17, 2009
DFA-Office of Budget

FINANCIAL INFORMATION SOURCES STATE OF ARKANSAS

FINANCIAL ORGANIZATIONS & MANAGEMENT

The following state organizations share responsibility for statewide financial management: The General Assembly, the Office of the Budget and the Office of Accounting of the Department of Finance and Administration, the Governor, the Treasurer, and the Division of Legislative Audit.

The General Assembly has responsibility for legislating the level of state services and appropriating the funds for operations of state agencies. The Office of Budget prepares the Executive Budget with the advice and consent of the Governor. The Office of Budget also monitors the level and type of state expenditures. The Accounting Division has the responsibility for maintaining fund and appropriation control and, in conjunction with the State Treasurer, has responsibility for the disbursement process. The Treasurer has responsibility for disbursement, bank reconciliation, and investment of state funds (with the advice of the State Board of Finance). The Division of Legislative Audit has responsibility for performing financial post-audits of state agencies.

BUDGET AND APPROPRIATION PROCESS

State agencies submit biennial budget requests to the Office of Budget of the Department of Finance and Administration. The Office of Budget prepares the Executive Budget based on estimates of general revenues as prepared by the Office of Economic Analysis and Tax Research of DFA. The Executive Budget contains the budget amount recommended by the Governor.

The General Assembly appropriates money after consideration of both the Executive Budget and the revenue estimate. The appropriation process begins in the joint House-Senate Budget Committee and then proceeds through both houses of the General Assembly. Legislative appropriations are subject to the Governor's approval or veto, including the authority of line-item veto.

The General Assembly also must amend the Revenue Stabilization Act to provide for an allotment process of funding appropriations in order to comply with state law prohibiting deficit spending. The Governor may restrict spending below the level of appropriations.

REVENUE STABILIZATION LAW

Act 750 of 1973, as amended, established the State's Revenue Stabilization Law. This law and related legislation govern the administration and distribution of State revenues.

Pursuant to the Stabilization Law, all general and special revenues are deposited into the General Revenue Allotment Account and the Special Revenue Allotment Account according to the type of revenue being deposited. From the General Revenues Fund, 3% of all general revenues are first distributed to the Constitutional Officers Fund and the

Central Services Fund to provide support for the States' elected officials and their staffs and the Department of Finance and Administration.

The balance is then distributed to separate funds proportionately as established by the Stabilization Law. From the Special Revenue Fund, 3% of all special revenues collected by DFA and 1.5% of all special revenues collected by other agencies are first distributed to provide support for the State's elected officials, their staffs, and DFA. The balance is then distributed to the funds for which the special revenues were collected.

Special revenues, which are primarily user taxes, are generally earmarked for the program or agency providing the related services.

General revenues are transformed into funds established and maintained by the Treasurer for major programs and agencies of the state in accordance with fund priorities established by the General Assembly.

According to the Stabilization Law, the General Assembly establishes three levels of priority for general revenue spending, levels "A", "B", and "C". Successive levels of appropriations are funded only in the event sufficient revenues have been generated to fully fund any prior level. Accordingly, appropriations made to programs and agencies are only maximum authorizations to spend. Actual expenditures are limited to the lesser of (1) moneys flowing into a program or agencies' fund maintained by the Treasurer or (2) the maximum appropriation by the General Assembly.

Because state revenues are not collected throughout the year in a pattern consistent with program and agency expenditures, a budget revolving fund, which receives interest earnings for State fund investments, has been established and is utilized to assure proper cash flow during any period.

For more detailed information, please see:

- State of Arkansas, Biennial Budget, prepared by the Office of Budget, DFA.
- Annual Financial Report, prepared by the Office of Accounting, DFA.
- State of Arkansas, Biennial Report, prepared by the Treasurer of the State.
- Arkansas Legislative Tax Handbook, prepared by the Arkansas Legislative Council.
- Selected Statistical Financial Data for Arkansas (referred to as the A & B Books), prepared by the Arkansas Legislative Council.

STATE OF ARKANSAS
Special Revenues Monthly and Year to Date Collections
For Month Ending June 30, 2010

| | Month | | | | Year-To-Date | | | |
|---|-------------------------|-------------------------|-----------------------------|-------------|---------------------------|---------------------------|-----------------------------|-------------|
| | June 2009 | June 2010 | Increase/Decrease Amount | Percent | June 2009 | June 2010 | Increase/Decrease Amount | Percent |
| Taxes, Fees, Licenses & Permits | | | | | | | | |
| 1/8 Cent Sales Tax (Conservation Tax) | \$4,619,549.18 | \$4,912,029.79 | \$292,480.61 | 6.3% | \$60,540,761.39 | \$58,416,284.38 | -\$2,124,477.01 | -3.5% |
| 1/2 Cent Sales Tax (Property Tax Relief) | \$17,488,509.52 | \$18,025,645.81 | \$537,136.29 | 3.1% | \$230,903,664.48 | \$217,591,713.63 | -\$13,311,950.85 | -5.8% |
| 7/8 Cent Sales Tax (Educ. Adequacy) | \$30,900,487.26 | \$31,940,544.93 | \$1,040,057.67 | 3.4% | \$403,785,967.49 | \$381,260,883.21 | -\$22,525,084.28 | -5.6% |
| Corp. Franchise (Educational Adequacy) | \$4,961,903.42 | \$2,392,864.90 | -\$2,569,038.52 | -51.8% | \$14,128,587.67 | \$14,672,389.17 | \$543,801.50 | 3.8% |
| Corporate Income Tax (Workforce 2000) | \$1,935,288.40 | \$1,956,112.75 | \$20,824.35 | 1.1% | \$23,223,460.80 | \$23,473,352.56 | \$249,891.76 | 1.1% |
| Motor Fuel Tax Act 445/1973 | \$1,738,434.90 | \$1,749,211.94 | \$10,777.04 | 0.6% | \$20,368,568.78 | \$21,114,205.70 | \$745,636.92 | 3.7% |
| Gasoline / Diesel Tax | \$34,384,970.93 | \$35,037,916.99 | \$652,946.06 | 1.9% | \$399,834,205.49 | \$403,117,733.45 | \$3,283,527.96 | 0.8% |
| Motor Fuel Tax Act 437/1979 | \$1,738,434.90 | \$1,749,211.94 | \$10,777.04 | 0.6% | \$20,368,568.78 | \$21,114,205.71 | \$745,636.93 | 3.7% |
| Auto License Fees | \$11,364,779.78 | \$10,317,913.29 | -\$1,046,866.49 | -9.2% | \$112,179,079.01 | \$112,062,342.56 | -\$116,736.45 | -0.1% |
| Cigarette and Tobacco | \$529,553.79 | \$522,633.12 | -\$6,920.67 | -1.3% | \$6,614,847.81 | \$5,935,840.77 | -\$679,007.04 | -10.3% |
| Real Estate Transfer Tax | \$2,184,688.00 | \$2,587,664.10 | \$402,976.10 | 18.4% | \$17,504,929.86 | \$23,667,423.48 | \$6,162,493.62 | 35.2% |
| Natural Gas Severance | \$2,168,743.75 | \$3,984,868.33 | \$1,816,124.58 | 83.7% | \$9,603,493.28 | \$42,892,288.61 | \$33,288,795.33 | 346.6% |
| Timber Severance | \$152,348.65 | \$299,065.01 | \$146,716.36 | 96.3% | \$3,053,646.36 | \$2,949,004.43 | -\$104,641.93 | -3.4% |
| Other Severance | \$364,643.63 | \$482,251.90 | \$117,608.27 | 32.3% | \$6,166,455.49 | \$5,269,784.90 | -\$896,670.59 | -14.5% |
| Game Protection License | \$1,775,737.88 | \$1,439,503.04 | -\$336,234.84 | -18.9% | \$21,608,529.73 | \$21,021,151.58 | -\$587,378.15 | -2.7% |
| Utility Assessment | \$475,136.00 | \$195,338.00 | -\$279,798.00 | -58.9% | \$8,479,300.00 | \$8,689,375.00 | \$210,075.00 | 2.5% |
| Premium Tax Fire Tornado & Marine ** | \$0.00 | \$0.00 | \$0.00 | N.A. | \$46,984,805.87 | \$47,881,618.45 | \$896,812.58 | 1.9% |
| Insurance Dept. Fees Act 652/1993 | \$10,868,545.77 | \$9,856,476.30 | -\$1,012,069.47 | -9.3% | \$28,234,212.03 | \$26,252,694.59 | -\$1,981,517.44 | -7.0% |
| Dyed Diesel Gallonage Tax | \$264,218.63 | \$354,380.72 | \$90,162.09 | 34.1% | \$3,612,420.80 | \$3,429,236.10 | -\$183,184.70 | -5.1% |
| All other taxes, fees, permits & licenses | \$16,658,879.80 | \$19,756,993.06 | \$3,098,113.26 | 18.6% | \$219,741,827.98 | \$221,931,938.17 | \$2,190,110.19 | 1.0% |
| TOTAL | \$144,574,854.19 | \$147,560,625.92 | \$2,985,771.73 | 2.1% | \$1,656,937,333.10 | \$1,662,743,466.45 | \$5,806,133.35 | 0.4% |

Collections data are net receipts, which are gross receipts after transfers and adjustments but before deductions for Constitutional Officers Fund and State Central Services Fund.

** Premium Tax Year-To-Date total does not reflect transfers to general revenue of \$7,159,630.14 in FY09 and \$5,124,921.84 in FY10.

**DEPARTMENT OF FINANCE & ADMINISTRATION
DIVISION OF REVENUE**

P.O. Box 1272
Little Rock, AR 72203
(501) 682-7000

Commissioner of Revenue..... Tim Leathers
Assistant Commissioner for Operations & Administration Mike Munns
Assistant Commissioner for Policy & Legal..... John Theis

Taxpayer Assistance Office..... 682-7751
Office of Motor Vehicle 682-4630
Office of Excise Tax Administration..... 682-7200
Office of Income Tax Administration..... 682-1130

Arkansas State Revenue Tax Quarterly, a quarterly newsletter, is published by the Revenue Division. For more information, contact the Taxpayer Assistance Office.

The Department of Finance and Administration has a home page on the World Wide Web. The page contains several tax forms and useful information. The address is <http://www.dfa.arkansas.gov>. In addition, the Office of Economic Analysis and Tax Research posts this publication, *Arkansas Fiscal Notes*, on the DFA web site. The address is <http://www.dfa.arkansas.gov/offices/directorsOffice/Pages/fiscalNotes.aspx>.

**STATEMENT OF GROSS TAX COLLECTIONS
GENERAL, SPECIAL, AND TRUST REVENUES**

The statement of gross tax collections on the following pages reports only general and special revenues collected by the Revenue Division of the Department of Finance and Administration. Insurance premium taxes are collected by the Insurance Department and the corporate franchise tax by the Office of Secretary of State. The revenues from these two taxes are reported in Tables A and B. In addition to these two offices, general revenues are also collected by other offices, agencies, and commissions, such as the State Auditor, State Securities Board, et al., and are summarized under "Miscellaneous" collections in Tables A and B. A detailed listing of these revenue sources can be found in the *Arkansas Revenue Report* published monthly by the Bureau of Legislative Research, Office of Tax and Economic Policy (telephone # 682-1937).

The "Gross Receipts" line items reported on these statements include sales tax, use tax, beverage excise tax, 10% mixed drink tax, and the gross receipts tax permit.

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Statement of Gross Tax Collections
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| Special Revenues | June 2010 | June 2009 | 12 Months 2010 | 12 Months 2009 |
|-------------------------------|-----------------|-----------------|------------------|------------------|
| 71 MULTIPLE TAX HOLDING | -\$38,920.19 | \$0.00 | \$64,582.27 | \$0.00 |
| 72 MOTOR FUEL TAX - INBOUND | -\$69,073.26 | \$0.00 | \$35,812.40 | \$0.00 |
| 73 NATURAL GAS - INBOUND | -\$85.11 | \$0.00 | \$4,891.65 | \$0.00 |
| 99 MILITARY FUNERAL FUND | \$1,480.00 | \$0.00 | \$6,310.00 | \$0.00 |
| 101 AUTO LICENSE FEES | \$10,315,159.57 | \$11,360,716.22 | \$112,079,323.19 | \$112,128,401.63 |
| 102 AUTO TITLE TRANSFER | \$322,946.47 | \$312,256.14 | \$3,624,757.41 | \$3,571,074.68 |
| 103 AUTO INTRANSIT FEES | \$27.00 | \$9.00 | \$195.00 | \$78.00 |
| 104 DRIVE OUT LICENSE | \$9,536.10 | \$13,104.53 | \$129,732.51 | \$133,017.87 |
| 105 MV TRIP PERMITS | \$35,376.00 | \$35,145.00 | \$433,790.65 | \$323,763.00 |
| 106 TRANSFER BLD. FUND | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 107 DRIVERS TEST FEE 782/ | \$55,805.00 | \$56,655.00 | \$563,763.18 | \$592,460.06 |
| 108 CDL FUND 241/1989 | \$61,774.69 | \$56,840.49 | \$754,428.60 | \$675,944.45 |
| 109 BOAT REGISTRATION | \$151,103.70 | \$189,066.80 | \$1,058,728.60 | \$1,175,207.85 |
| 110 COTTON TRLR. REG. 68/ | \$487.00 | \$1,705.00 | \$58,730.00 | \$66,862.00 |
| 111 CDL TEST ACT 241/1989 | \$46,034.66 | \$41,470.00 | \$520,236.20 | \$574,878.87 |
| 112 CDL TEST ACT 241/1989 | \$255,512.31 | \$139,927.28 | \$1,723,876.67 | \$1,736,464.29 |
| 113 SPECIAL DRIVER FEES | \$80,855.00 | \$73,430.03 | \$855,926.63 | \$836,703.14 |
| 114 DRIVER SEARCH FEE | \$1,237,599.69 | \$690,761.72 | \$8,448,698.77 | \$8,494,479.71 |
| 115 BRSTCANKOMENPLA1004/03 | \$14,668.77 | \$12,832.74 | \$153,228.29 | \$132,010.04 |
| 116 DWI #918 1983 AL/DRG | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 117 ALTN FUEL FD/ACT121/03 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 118 COURT CST AL/DRUG1/2 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 119 COURT COST 185 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 120 NATURAL GAS SEVERANCE 95% | \$3,984,953.44 | \$2,168,743.75 | \$42,622,700.14 | \$9,603,493.28 |
| 121 MOTOR FUEL TAX | \$34,331,499.37 | \$33,025,852.21 | \$394,948,819.80 | \$393,907,227.49 |
| 122 MOTOR FUEL ACT #445 | \$1,749,141.28 | \$1,738,434.90 | \$21,114,205.70 | \$20,368,568.78 |
| 123 MOTOR FUEL ACT #437 | \$1,749,141.28 | \$1,738,434.90 | \$21,114,205.71 | \$20,368,568.78 |

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| | | | | | |
|-----|---------------------------|----------------|----------------|-----------------|----------------|
| 124 | PUBLIC SCHOOL 210/39 | \$0.00 | \$0.00 | \$30,000.00 | \$30,000.00 |
| 125 | SEVERANCE TAX 1/4 | \$340,153.82 | \$249,699.76 | \$3,924,818.52 | \$4,739,221.05 |
| 126 | SEVERANCE ACT #310 | \$2,589.30 | \$2,461.63 | \$28,759.50 | \$30,245.23 |
| 127 | SEVERANCE 759/1979 | \$4,760.13 | \$1,947.96 | \$47,924.15 | \$40,335.41 |
| 128 | TIMBER SEVERANCE | \$299,065.01 | \$152,348.65 | \$2,949,004.43 | \$3,054,411.96 |
| 129 | SEV./COAL ACT 560 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 130 | SEV. ACT #761 | \$124,038.38 | \$106,151.35 | \$1,156,716.94 | \$1,268,439.41 |
| 131 | SEV./BRINE ACT 874 | \$10,710.27 | \$4,382.93 | \$110,369.56 | \$88,214.39 |
| 132 | SOYBEAN STATE 259 | \$67,190.87 | \$121,704.55 | \$3,163,870.47 | \$3,071,175.79 |
| 133 | WHEAT PROMOTION | \$364.42 | \$3,370.80 | \$164,016.69 | \$558,394.59 |
| 134 | RICE PROMOTION | \$270,938.36 | \$158,757.49 | \$5,760,917.06 | \$4,739,620.33 |
| 135 | RL ESTATE TRANS. 754 | \$0.00 | \$0.00 | \$90,000.00 | \$90,000.00 |
| 136 | RL ESTATE TRANS. 754 | \$86,254.32 | \$72,817.34 | \$785,829.02 | \$730,413.32 |
| 137 | RL ESTA TRANS.729 80 | \$1,380,094.25 | \$1,165,099.50 | \$13,294,860.52 | \$8,494,797.76 |
| 138 | RL ESTA TRANS.729 10 | \$172,511.65 | \$145,637.24 | \$1,751,687.84 | \$1,640,854.53 |
| 139 | RL ESTA TRANS.729 10 | \$172,511.65 | \$145,637.24 | \$1,751,687.84 | \$1,640,854.53 |
| 140 | BEEF COUNCIL - STATE | \$39,401.31 | \$41,289.75 | \$511,728.63 | \$435,096.63 |
| 141 | WINE TAX ACT #906 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 142 | DISABILITY PHOTO ID | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 143 | ROA S/U AVIATION ACT #449 | \$0.00 | \$5,832.88 | \$74,070.67 | \$5,173,581.08 |
| 144 | RENT CARSRCH 1359/99 | \$3.00 | \$0.00 | \$35.00 | \$1,176.00 |
| 145 | DOG RACING ACT #382 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 146 | ABC APP'L FEE 675 | \$575.00 | \$0.00 | \$8,370.00 | \$7,322.50 |
| 147 | DWI REINSTATEMENT | \$11,424.00 | \$13,135.50 | \$144,385.50 | \$153,056.12 |
| 148 | VISION TEST/PHOTO ID | \$157,906.43 | \$153,235.31 | \$1,766,123.87 | \$1,766,926.17 |
| 149 | BEEF COUNCL NATIONAL | \$39,401.31 | \$41,289.75 | \$511,728.57 | \$435,096.63 |
| 150 | BRUCellosis CNTR FUN | \$53,963.25 | \$58,964.00 | \$684,582.94 | \$672,808.14 |
| 151 | SPECIAL ADDITIONAL TAXES | \$93,540.06 | \$77,076.13 | -\$223,099.96 | \$644,819.81 |

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| | | | | | |
|-----|------------------------------|-----------------|-----------------|------------------|------------------|
| 152 | WASTE TIRE 749/ 91 | \$407,809.66 | \$414,787.65 | \$4,308,174.29 | \$4,145,336.34 |
| 153 | SWINE TEST 1105 91 | \$2.00 | \$4.00 | \$119.00 | \$55.00 |
| 154 | DWI REINSTATE 802/95 | \$53,856.00 | \$61,924.50 | \$680,674.50 | \$721,550.36 |
| 155 | RURAL HEALTH 201/39 | \$106,827.50 | \$121,677.50 | \$238,870.00 | \$255,130.00 |
| 156 | SEVERANCE TAX 761/83 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 157 | SOYBEA NATION 340/91 | \$67,190.82 | \$121,704.54 | \$3,163,869.90 | \$3,071,175.21 |
| 158 | CHOOSE LIFE PLATE | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 159 | MF INTERSTATE USER | \$839,390.55 | \$1,957,629.28 | \$12,501,945.73 | \$14,167,573.63 |
| 160 | MIDSO COM COLL 1488/01 | \$3,744.97 | \$3,478.03 | \$27,361.44 | \$31,748.95 |
| 161 | SALESTAX PERMIT 620/93 | \$28,507.46 | \$35,340.37 | \$406,647.58 | \$370,598.18 |
| 162 | M V VAL. DEC 974/97 | \$236,084.25 | \$240,260.39 | \$2,626,966.89 | \$2,573,102.84 |
| 163 | LIAB.INS.REIN 357/93 | \$1,153.75 | \$980.00 | \$13,752.50 | \$9,863.51 |
| 164 | ASP INSPREM 1500/01 | \$248,153.51 | \$240,115.62 | \$2,950,186.33 | \$2,987,078.20 |
| 165 | VIN INSPECTION 1329/03 | \$700.00 | \$875.00 | \$9,175.00 | \$10,475.00 |
| 166 | DUI REIN 863/93 40% | \$730.00 | \$1,120.00 | \$12,640.00 | \$15,354.00 |
| 167 | UNIFIED CARRIERS IRP 09 FEES | \$893,764.10 | \$10,787.00 | \$1,036,104.10 | \$1,414,862.00 |
| 168 | WASTE TIRE P 1292/97 | \$35,461.71 | \$36,068.49 | \$374,784.92 | \$360,464.02 |
| 169 | CATFISH PROMO 790/99 | \$7,956.80 | \$5,672.08 | \$68,620.00 | \$103,668.95 |
| 170 | GAMEPROTECT 1566/99 | \$108,982.93 | \$97,525.65 | \$1,188,898.41 | \$1,045,188.16 |
| 171 | PTR ACT 1492/99 | \$18,103,098.04 | \$17,457,016.91 | \$217,595,497.19 | \$230,995,423.00 |
| 172 | SPEC PLATE FEE 93 SE | \$180,455.37 | \$172,493.44 | \$1,993,834.94 | \$1,813,920.82 |
| 173 | PTR DYED DIESEL 87/07 | \$128,728.00 | \$95,976.84 | \$1,245,662.60 | \$1,312,203.96 |
| 174 | EDUC.ADEQ DYED.DIESEL 87/07 | \$225,652.72 | \$168,241.79 | \$2,183,573.50 | \$2,300,216.84 |
| 175 | CONS. FUND 156/97 | \$4,909,929.73 | \$4,612,498.38 | \$58,418,885.60 | \$60,564,230.84 |
| 176 | S/U TAX AVIA. AERO 924/97 | \$499,347.46 | \$995,903.00 | \$10,216,491.10 | \$5,281,083.62 |
| 177 | AR CORN/SORG 271/97 | \$16,359.74 | \$32,498.06 | \$503,193.75 | \$602,731.96 |
| 178 | ADMIN JUSTICE 788/97 | \$776,292.23 | \$655,358.08 | \$5,274,703.69 | \$4,908,009.72 |
| 179 | DIST WASTTIRE 1292/97 | \$65,401.80 | \$43,285.80 | \$647,030.75 | \$650,224.65 |

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| | | | | | |
|------------------------|------------------------------|-------------------------|-------------------------|---------------------------|---------------------------|
| 180 | ANIMAL RESCUE & SHELTER | \$325.00 | \$0.00 | \$1,750.00 | \$0.00 |
| 181 | AGE/ADULT SERV 1698/01 | \$75,781.80 | \$76,785.30 | \$860,696.91 | \$959,152.93 |
| 182 | ELEC. GAMING APPLICATION FEE | \$5,750.00 | \$5,400.00 | \$98,450.00 | \$78,250.00 |
| 183 | BREAST CAN RSH 1698/01 | \$86,845.95 | \$87,995.95 | \$986,358.67 | \$1,099,189.24 |
| 184 | BREAST CAN CTRL 1698/1 | \$309,482.41 | \$313,580.57 | \$3,514,967.48 | \$3,917,048.28 |
| 185 | GEN IMPROV FUND 1681/1 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 186 | DRIVER CONFIRM 1810/01 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 187 | SCHOOL FOR DEAF 1556/1 | \$17.50 | \$10.00 | \$40.00 | \$15.00 |
| 188 | SCHOOL FOR BLND 1556/1 | \$17.50 | \$10.00 | \$40.00 | \$15.00 |
| 189 | DUPLICATE DRIVERS LIC | \$424,455.00 | \$407,874.15 | \$5,386,544.29 | \$5,058,566.04 |
| 190 | EDUC ADEQ. 108/03 | \$32,060,205.01 | \$30,838,380.92 | \$381,278,404.28 | \$403,944,019.44 |
| 191 | FIREFIGHTERS MEM FUND | \$699.10 | \$662.00 | \$7,891.18 | \$7,184.81 |
| 192 | IN GOD WE TRUST PLATE | \$6,450.00 | \$5,777.50 | \$73,817.66 | \$62,582.41 |
| 193 | ADDITIONAL CIGARETTE/UAMS | \$37,890.91 | \$38,392.65 | \$430,348.45 | \$479,576.47 |
| 194 | AR PROSTATE ADJUSTMENT | \$12,632.05 | \$12,799.32 | \$143,469.26 | \$159,880.89 |
| 195 | UAMS 4% MD FUND | \$207,913.51 | \$200,669.17 | \$2,355,121.28 | \$2,021,406.36 |
| 196 | PUBLIC SCHOOL ADJUST | \$100,504.88 | \$78,132.69 | \$1,173,513.49 | \$1,084,940.93 |
| 197 | DHS GRANTS FUND ADJUST | \$7,787.00 | \$7,618.39 | \$79,119.47 | \$26,178.16 |
| 198 | TELE COM EQUIP 501/95 | \$34,823.99 | \$23,522.56 | \$381,210.41 | \$401,897.35 |
| 199 | Unified Carrier Reg. 232/07 | \$156.00 | \$3,711.00 | \$49,159.00 | \$671,770.02 |
| Total Special Revenues | | <u>\$118,939,738.27</u> | <u>\$114,060,770.04</u> | <u>\$1,373,313,896.67</u> | <u>\$1,373,879,008.39</u> |

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| General Revenues | June 2010 | June 2009 | 12 Months 2010 | 12 Months 2009 |
|--------------------------|------------------|------------------|--------------------|--------------------|
| 201 CIGARETTE TAX | \$17,457,338.95 | \$16,668,910.78 | \$195,183,948.44 | \$138,416,878.96 |
| 202 TOBACCO PERM 1337/97 | \$52,405.00 | \$55,485.00 | \$181,800.00 | \$168,535.00 |
| 203 CIGAR & TOBACCO TAX | \$3,999,695.51 | \$4,034,016.65 | \$49,278,827.77 | \$27,349,448.81 |
| 204 CIGARETTE PAPER TAX | \$45,833.23 | \$40,038.17 | \$525,221.91 | \$514,245.31 |
| 205 BEER TAX | \$1,157,130.61 | \$1,190,219.10 | \$12,521,509.01 | \$13,293,831.43 |
| 206 BEER ENF. ACT #271 | \$38,523.91 | \$39,663.72 | \$417,275.83 | \$443,013.36 |
| 207 LIQUOR TAX 2.50 /GAL | \$698,249.76 | \$695,297.80 | \$8,237,850.83 | \$8,022,558.00 |
| 208 LIQUOR ENF. | \$23,652.67 | \$22,811.72 | \$273,702.52 | \$264,987.36 |
| 209 WINE TAX .70 / GAL. | \$18,453.67 | \$13,798.42 | \$193,045.67 | \$190,741.10 |
| 210 WINE ENF. | \$4,692.04 | \$3,666.78 | \$54,537.97 | \$49,980.12 |
| 211 WINE ENF. ACT #271 | \$492.90 | \$368.34 | \$5,312.47 | \$5,139.76 |
| 212 WINE ENF. ACT #424 | \$71.68 | \$59.73 | \$1,154.37 | \$883.43 |
| 213 IMPORTED WINE TAX | \$192,579.48 | \$148,679.27 | \$2,257,091.97 | \$2,061,589.95 |
| 214 IMPORT WINE TAX 424 | \$722.97 | \$671.65 | \$11,309.03 | \$10,018.46 |
| 215 BEER PERMITS | \$712,295.00 | \$257,830.00 | \$906,327.00 | \$555,335.00 |
| 216 LIQUOR PERMITS | \$1,487,695.00 | \$747,845.00 | \$1,872,315.00 | \$1,117,792.50 |
| 217 WINE PERMITS | \$121,980.00 | \$37,261.00 | \$152,734.50 | \$59,585.50 |
| 218 SEVERANCE TAX 3/4 | \$1,020,461.59 | \$749,099.25 | \$11,774,454.53 | \$14,217,662.19 |
| 219 AMUSEMENT MACH. TAX | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 220 BINGO/RAFFLES 388/07 | \$10,460.00 | \$10,255.00 | \$46,055.00 | \$36,830.00 |
| 221 BINGO TAX 388/07 | \$26,611.59 | \$20,414.06 | \$296,794.35 | \$920,661.21 |
| 222 RL ESTATE TRANS 754 | \$0.00 | \$0.00 | \$2,607,788.32 | \$2,607,788.32 |
| 223 AVIATION USE 924/97 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 224 DYED DIESEL 87/07 | \$1,160,066.55 | \$864,921.37 | \$11,225,623.11 | \$11,825,281.42 |
| 225 GROSS RECEIPTS | \$165,103,912.29 | \$157,610,420.41 | \$1,977,672,019.02 | \$2,116,973,814.07 |
| 226 ESTATE TAX | \$0.00 | \$39,300.50 | \$89,225.75 | \$224,048.31 |
| 227 INCOME - INDIVIDUAL | \$6,653,794.66 | \$6,217,178.64 | \$201,313,810.73 | \$240,349,943.50 |

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|------------------------|----------------------------------|------------------|------------------|--------------------|--------------------|
| 228 | REAL-ESTATE 793/07 | \$0.00 | \$0.00 | \$718,654.57 | \$4,500,000.00 |
| 229 | WITHHOLDING - N | \$166,517,324.85 | \$169,737,736.59 | \$2,074,864,121.53 | \$2,092,670,306.16 |
| 230 | INDIVIDUAL EST. INC. | \$51,246,712.98 | \$55,254,555.63 | \$303,110,796.10 | \$374,364,754.81 |
| 231 | CORPORATION INCOME | \$2,554,954.63 | \$3,149,087.36 | \$112,502,933.92 | \$48,839,004.67 |
| 232 | CORPORATION EST. INC. | \$56,868,016.49 | \$47,710,273.73 | \$334,608,890.37 | \$357,282,165.26 |
| 233 | LIQ. TAX 1.00/.50 GAL | \$29,224.58 | \$33,053.51 | \$372,167.47 | \$358,273.63 |
| 234 | 1% RETAIL BEER TAX | \$314,456.05 | \$290,675.48 | \$3,484,612.61 | \$3,280,904.43 |
| 235 | DOG RACING | \$99,536.49 | \$125,429.73 | \$1,121,874.41 | \$1,302,011.73 |
| 236 | HORSE RACING | \$156,158.81 | \$296,160.70 | \$3,182,435.89 | \$3,581,240.45 |
| 237 | ABC FINES | \$35,750.00 | \$38,600.00 | \$227,800.00 | \$228,960.00 |
| 238 | ABC TRANSCRIPTS | \$38.40 | \$1,694.50 | \$2,181.85 | \$3,791.50 |
| 239 | SALES TO MINORS TOBACCO FINES | \$14,275.00 | \$3,862.53 | \$89,031.47 | \$111,652.49 |
| 240 | SUNDAY SALE PERM. FEE | \$0.00 | \$0.00 | \$0.00 | \$17,210.00 |
| 241 | DWI REINSTATEMENT | \$16,320.00 | \$18,765.00 | \$206,265.00 | \$218,651.67 |
| 242 | DOGS ELECTRONIC GAMES | \$491,453.99 | \$314,123.61 | \$4,671,919.03 | \$3,869,990.89 |
| 243 | HORSE ELECTRONIC GAMES | \$354,555.94 | \$319,836.23 | \$3,818,576.24 | \$2,285,005.34 |
| 244 | ELEC. GAMES LICENSE FEES | \$2,650.00 | \$2,100.00 | \$47,500.00 | \$42,225.00 |
| 245 | NATURAL GAS SEVERANCE 5% | \$209,734.44 | \$114,144.48 | \$2,243,300.22 | \$505,447.33 |
| 246 | TEMPORARY CARDBOARD TAG | \$332.54 | \$0.00 | \$332.54 | \$0.00 |
| 247 | VEND. DECAL 928/97 | \$424,215.40 | \$660,223.00 | \$782,389.40 | \$1,027,209.35 |
| 248 | | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 249 | DUI REIN. 863/93 60% | \$1,095.00 | \$1,680.00 | \$18,960.00 | \$23,031.00 |
| 250 | S/U TAX HOLDING ACA | \$0.00 | \$36,271.14 | \$255,879.32 | -\$16,982.72 |
| 251 | SALES TAX - INBOUND | -\$322,217.20 | \$0.00 | \$705,114.92 | \$0.00 |
| 252 | DYED DIESEL - INBOUND | -\$32,596.15 | \$0.00 | \$5,092.78 | \$0.00 |
| Total General Revenues | | \$478,969,111.30 | \$467,576,485.58 | \$5,324,140,564.74 | \$5,474,175,446.06 |

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| <u>Trust Revenues</u> | <u>June 2010</u> | <u>June 2009</u> | <u>12 Months 2010</u> | <u>12 Months 2009</u> |
|----------------------------|------------------------|------------------------|---------------------------|---------------------------|
| 301 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 302 AD-VALOREM-TRUST | \$2,680,365.04 | \$3,474,323.88 | \$17,243,056.99 | \$18,111,519.53 |
| 303 LOCAL SALES/USE-TRUST | \$75,783,679.39 | \$76,074,391.85 | \$917,126,458.14 | \$954,860,081.22 |
| 304 CRAFT TRN TRUS 474/99 | \$41,533.65 | \$35,461.93 | \$450,111.85 | \$450,675.42 |
| 305 ORGAN DONOR PLATE | \$1,735.00 | \$1,385.00 | \$18,202.97 | \$15,810.00 |
| 306 BABY SHARON TRST279/03 | \$10.00 | \$20.00 | \$330.00 | \$175.00 |
| 307 MILT'RY FAM RELIEF TRS | \$35.00 | \$30.00 | \$85.00 | \$275.00 |
| 308 TOURISM DEV TRST ADJUS | \$1,068,640.07 | \$1,036,215.27 | \$11,571,876.17 | \$10,908,098.16 |
| 309 PUBLIC TRANS TRST ADJS | \$301,514.49 | \$234,397.94 | \$3,520,539.55 | \$3,254,822.60 |
| 310 AREA AGENCIES ON AGING | \$35.00 | \$20.00 | \$90.00 | \$71.00 |
| 311 PETRO ENVIR ASSU FEE | \$667,735.85 | \$587,514.85 | \$7,330,090.41 | \$7,320,577.19 |
| 312 UMB CORD 695/07 | \$0.00 | \$35.00 | \$0.00 | \$85.00 |
| 313 U.S. OLY COMM 471/93 | \$25.00 | \$15.00 | \$40.00 | \$15.00 |
| 314 SOFTDRINK TX 1073/93 | \$4,285,405.64 | \$3,998,728.48 | \$45,503,845.85 | \$47,601,194.82 |
| 315 DIA RELIEF TRU 181/97 | \$1,035.00 | \$120.00 | \$1,085.00 | \$351.00 |
| 316 ID PEND LOC S/U 928/9 | \$106,053.85 | \$165,055.75 | \$195,597.34 | \$256,802.32 |
| Total Trust Revenues | <u>\$84,937,802.98</u> | <u>\$85,607,714.95</u> | <u>\$1,002,961,409.27</u> | <u>\$1,042,780,553.26</u> |
| Sum Total Of All Revenue | \$682,846,652.55 | \$667,244,970.57 | \$7,700,415,870.68 | \$7,890,835,007.71 |

Department of Finance and Administration
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| Escrow/Pullout Revenues | June 2010 | June 2009 | 12 Months 2010 | 12 Months 2009 |
|----------------------------|--------------|--------------|----------------|----------------|
| 401 TITLE | \$104,512.52 | \$101,896.85 | \$1,180,997.37 | \$1,147,915.27 |
| 402 LIEN | \$32,870.30 | \$34,396.35 | \$384,840.06 | \$398,132.79 |
| 403 POSTA | \$57,478.22 | \$58,289.23 | \$667,806.83 | \$655,897.27 |
| 404 ADFA | \$354,126.03 | \$360,390.35 | \$3,940,446.69 | \$3,859,651.25 |
| 405 TRANS | \$1,603.00 | \$1,670.10 | \$18,210.00 | \$18,361.97 |
| 406 LOST/ | \$7,176.10 | \$7,417.09 | \$86,736.60 | \$94,457.17 |
| 407 DR LIC | \$503,940.52 | \$487,897.75 | \$5,993,638.30 | \$6,069,105.37 |
| 408 OIL & | \$14,437.77 | \$10,950.90 | \$138,748.83 | \$141,726.36 |
| 409 CDL241 | \$61,774.57 | \$56,840.42 | \$754,427.24 | \$675,943.05 |
| 410 SEARCH | \$91,600.56 | \$130.00 | \$196,541.46 | \$1,501.25 |
| 411 COURT REIN. | \$85,300.00 | \$82,156.37 | \$1,164,562.60 | \$1,088,904.75 |
| 412 IRP REFUND | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 413 U OF A COLLEGE | \$39,056.63 | \$30,599.36 | \$401,105.95 | \$326,329.41 |
| 414 ASU COLLEGE | \$4,600.00 | \$3,625.00 | \$42,745.52 | \$31,109.02 |
| 415 UALR COLLEGE | \$525.00 | \$475.00 | \$6,450.00 | \$5,475.00 |
| 416 UCA COLLEGE | \$1,225.00 | \$925.00 | \$12,005.39 | \$9,882.60 |
| 417 COMM EDU 8/01 | \$11,425.00 | \$10,405.57 | \$106,404.53 | \$106,523.41 |
| 418 SAU COLLEGE | \$725.00 | \$775.00 | \$7,875.00 | \$6,875.00 |
| 419 DUCKS UNLIMITED | \$11,652.50 | \$10,705.46 | \$134,858.50 | \$124,855.56 |
| 420 U OF A AGRI | \$675.00 | \$700.00 | \$9,232.97 | \$8,607.97 |
| 421 AR CATTLEMEN'S | \$1,083.51 | \$825.00 | \$12,486.01 | \$11,127.50 |
| 422 BOY SCOUT | \$700.00 | \$575.00 | \$8,525.00 | \$7,400.00 |
| 423 HENDERSON STATE UNIV | \$875.00 | \$883.83 | \$8,581.16 | \$7,058.83 |
| 424 UAPB | \$6,321.76 | \$5,942.34 | \$68,303.99 | \$65,095.72 |
| 425 MISC REFUND CORRECTION | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 426 OUACHITA BAPT UNIV | \$1,075.00 | \$975.00 | \$9,225.00 | \$7,727.50 |
| 427 ST GOLF ASSOC 1574/05 | \$3,900.00 | \$3,131.88 | \$38,239.83 | \$31,946.26 |

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 Revenue Division
 Little Rock, Arkansas
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| | | | | | |
|-------------------------------|-----------------------------------|-----------------------|-----------------------|------------------------|------------------------|
| 428 | CHOOSE/RIGHT TO LIFE PLATE | \$6,252.50 | \$5,975.00 | \$75,648.44 | \$71,229.93 |
| 429 | AR REALTORS PLATE | \$1,950.00 | \$1,650.00 | \$19,458.37 | \$18,900.00 |
| 430 | FALL FIREFIGHTERS M BD | \$2,185.00 | \$2,032.50 | \$23,396.29 | \$21,578.96 |
| 431 | EMERGY MED TECH PLATE | \$1,894.30 | \$1,620.00 | \$19,597.07 | \$17,266.50 |
| 432 | ABC APPLICATION FEES | \$41,335.00 | \$32,940.00 | \$242,040.00 | \$241,084.50 |
| 433 | IRP-ROA CNTY REV MONEY | \$6,042.47 | \$7,949.25 | \$73,715.55 | \$83,373.33 |
| 434 | IRP-REGISTRATION FEES | \$2,915,532.77 | \$2,365,850.39 | \$18,055,312.13 | \$17,241,991.15 |
| 435 | COLL-99 DFA HOT CHECKS | \$966.00 | \$5,470.40 | \$146,627.77 | \$340,232.18 |
| 436 | U OF A MONTICELLO PLATE | \$700.00 | \$775.00 | \$10,423.54 | \$8,882.94 |
| 437 | AR. TECH UNIVERSITY | \$1,175.00 | \$1,175.00 | \$11,925.00 | \$9,950.05 |
| 438 | HENDRIX COLLEGE LICENSE PLATE | \$875.00 | \$700.00 | \$7,252.50 | \$5,800.00 |
| 439 | SUPPORT OUR TROOPS PLATE | \$175.00 | \$175.00 | \$1,800.00 | \$1,200.00 |
| 440 | MOTOR VEHICLE SEARCH FEES | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 441 | UNIFIED CARRIER REG. | \$0.00 | \$0.00 | \$0.00 | \$26,577.00 |
| 442 | INA MV SEARCH FEES | \$24,193.00 | \$13,005.00 | \$161,478.00 | \$156,707.50 |
| 443 | MV SEARCH FEES | \$4,510.79 | \$3,907.00 | \$43,538.80 | \$53,392.00 |
| 444 | DRUG/ALCOHOL SEARCH FEES | \$1,203.00 | \$517.00 | \$7,384.00 | \$7,944.00 |
| 445 | U OF OZARKS PLATE | \$300.00 | \$125.00 | \$2,925.00 | \$2,400.00 |
| 446 | LYON COLLEGE PLATE | \$400.00 | \$325.00 | \$3,350.00 | \$1,750.00 |
| 447 | HARDING UNIVERSITY PLATE | \$600.00 | \$375.00 | \$4,875.00 | \$2,375.00 |
| 448 | NLR FRIENDS OF ANIMALS | \$150.00 | \$225.00 | \$1,175.00 | \$425.00 |
| 449 | ARKANSAS MARTIN LUTHER KING JR | \$110.00 | \$80.00 | \$734.42 | \$640.00 |
| 450 | UNIV OF ARKANSAS FT SMITH | \$75.00 | \$150.00 | \$925.00 | \$450.00 |
| 451 | MOST WORSHIP GRAND | \$100.00 | \$0.00 | \$1,400.00 | \$0.00 |
| Total Escrow/Pullout Revenues | | <u>\$4,409,383.82</u> | <u>\$3,717,600.39</u> | <u>\$34,307,976.71</u> | <u>\$33,215,760.32</u> |

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| | <u>June 2010</u> | <u>June 2009</u> | <u>12 Months 2010</u> | <u>12 Months 2009</u> |
|--|------------------------|------------------------|------------------------|------------------------|
| 500 PND S/U TAX REFUNDS ACA 19-5-1009 | \$0.00 | \$859,861.02 | -\$3,136,511.01 | \$3,040,795.40 |
| 501 S/U TAX REFUNDS ACA 19-5-1009 | \$11,950,769.53 | \$18,506,029.81 | \$98,991,773.66 | \$42,288,095.33 |
| 503 NATURAL GAS SEVERANCE REFUNDS | \$0.00 | \$0.00 | \$9,674.39 | \$0.00 |
| 506 MOTOR FUEL REFUNDS | \$52,639.15 | \$0.00 | \$1,259,861.76 | \$0.00 |
| 507 MFT REFUNDS - CITY BUS/AGRI | \$0.00 | \$0.00 | \$5,296.99 | \$0.00 |
| 508 WITHHOLDING REFUND FUNDING | -\$282,845.05 | \$0.00 | -\$1,207,709.85 | \$0.00 |
| 509 WITHHOLDING REFUND EXPENSE | \$282,845.05 | \$0.00 | \$1,207,709.85 | \$0.00 |
| Total | <u>\$12,003,408.68</u> | <u>\$19,365,890.83</u> | <u>\$97,130,095.79</u> | <u>\$45,328,890.73</u> |

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| <u>General Revenues</u> | <u>June 2010</u> | <u>June 2009</u> | <u>12 Months 2010</u> | <u>12 Months 2009</u> |
|-------------------------|------------------------|------------------------|-------------------------|-------------------------|
| 999 S/U TAX HOLDING ACA | \$88,690,944.72 | \$64,602,578.10 | \$895,628,210.61 | \$301,590,380.52 |
| Total General Revenues | <u>\$88,690,944.72</u> | <u>\$64,602,578.10</u> | <u>\$895,628,210.61</u> | <u>\$301,590,380.52</u> |

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