



Arkansas House Newsletter

November 15, 2012

DFA releases Governor's Balanced Budget Proposal

Department of Finance and Administration Director Richard Weiss presented the Governor's proposed balanced budget before the Arkansas Legislative Council and Joint Budget Committee on Thursday morning.

The proposal calls for a 4.4% increase in spending for Fiscal Year 2013. It calls for a 3.7% increase in spending for Fiscal Year 2014.

The Governor is proposing to eliminate the remaining state sales tax on food, except for the 1/8-cent tax levied by voter in Amendment 75 of the Arkansas Constitution. This would reduce the state sales tax on food from 1.5% to 1/8%. The Governor proposes to trigger this tax elimination when changes in state budget obligations occur.

The proposal also calls for a 2% cost of living increase to state employees.

ALC and Joint Budget will consider the proposals while drafting appropriations during the ongoing budget process.