

As Engrossed: 2/27/91, 2/28/91, 3/21/91

1 **State of Arkansas**
2 **78th General Assembly**
3 **Regular Session, 1991**

A BILL ACT 1052 OF 1991
SENATE BILL 166

4 **By: Senators Hardin, Gordon, Wilson, Howell, C. Bell, Gibson,**
5 **Cassady, Malone, Bearden, Hopkins, Edwards, Pagan, Everett, Snyder**

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8 **For An Act To Be Entitled**

9 "AN ACT TO AMEND ARKANSAS CODE 26-51-205 TO INCREASE THE
10 INCOME TAX RATE ON CORPORATIONS WITH NET INCOMES EXCEEDING
11 CERTAIN AMOUNTS; TO PROVIDE FOR THE DISTRIBUTION OF THE
12 ADDITIONAL REVENUES; AND FOR OTHER PURPOSES."

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14 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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16 SECTION 1. Arkansas Code 26-51-205 is hereby amended to read as
17 follows:

18 "26-51-205. Corporations.

19 (a) Every corporation organized under the laws of this state shall pay
20 annually an income tax with respect to carrying on or doing business on the
21 entire net income of the corporation, as now defined by the laws of the State
22 of Arkansas, received by such corporation during the income year, on the
23 following basis:

24 (1) On the first \$3,000 of net income or any part
25 thereof 1 percent

26 On the second \$3,000 net income or any part
27 thereof 2 percent

28 On the next \$5,000 of net income or any part
29 thereof 3 percent

30 On the next \$14,000 of net income or any part
31 thereof 5 percent

32 On the next \$75,000 of net income or any part
33 thereof, but not exceeding \$100,000 - six percent

34 (2) On net income exceeding \$100,000, a flat rate of six and one-
35 half percent shall be applied to the entire net income.

36 (b) Every foreign corporation doing business within the jurisdiction of

1 this state shall pay annually an income tax on the proportion of its entire
2 net income as now determined by the income tax laws of Arkansas, on the
3 following basis:

4 (1) On the first \$3,000 of net income or any part
5 thereof..... 1 percent

6 On the second \$3,000 of net income or any part
7 thereof..... 2 percent

8 On the next \$5,000 of net income or any part
9 thereof..... 3 percent

10 On the next \$14,000 of net income or any part
11 thereof..... 5 percent

12 On the next \$75,000 of net income or any part
13 thereof, but not exceeding \$100,000 - six percent

14 (2) On net income exceeding \$100,000, a flat rate of six and one-
15 half percent shall be applied to the entire net income."

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17 SECTION 2. There is hereby created on the books of the State Treasurer,
18 State Auditor, and Chief Fiscal Officer of the state a fund to be known as the
19 "Work Force 2000 Development Fund." This fund shall consist of those special
20 revenues as specified in section 3 of this act and all other revenues as may
21 be authorized by law.

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23 SECTION 3. The Department of Finance and Administration - Revenue
24 Services Division shall deposit the funds collected under the provisions of
25 Arkansas §26-51-205 (corporate income tax) into the State Treasury, there to
26 be credited to the Revenue Holding Fund Account of the State Apportionment
27 Fund. On the last day of each month, the Chief Fiscal Officer of the State
28 shall certify to the State Treasurer the estimated
29 amount of corporate income tax collections in the Revenue Holding Fund Account
30 that are a result of the changes by this act. The State Treasurer shall then
31 transfer the amount so certified to the Special Revenue Fund Account as part
32 of the gross special revenues. After the deductions as set out in Arkansas
33 Code §19-5-203 have been made, the remaining amount shall be credited to the
34 "Work Force 2000 Development Fund". The remaining corporate income tax
35 collections remaining in the Revenue Holding Fund Account shall be credited to

1 the General Revenue Fund Account of the State Apportionment Fund, there to be
2 distributed with the other gross general revenue collections for that month in
3 accordance with the provisions of Arkansas Code §19-5-201 et. seq.

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5 SECTION 4. All proceeds derived from the additional tax levied by this
6 act shall be used exclusively for the authorized educational activities of:

7 (1) any post-secondary vocational technical school, technical
8 institute, comprehensive lifelong learning center, technical college,
9 community college, or

10 (2) any post-secondary vocational technical school, technical
11 institute, comprehensive life-long learning center, or technical college that
12 merges with a two-year branch of a four-year institution, a four-year
13 institution, a technical college, or a community college. The distribution of
14 the proceeds shall be supervised by the State Board of Higher Education and
15 the State Board of Vocational Education.

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17 SECTION 5. This act shall be effective for income years beginning on
18 and after January 1, 1991.

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20 SECTION 6. All provisions of this act of a general and permanent nature
21 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
22 Revision Commission shall incorporate the same in the Code.

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24 SECTION 7. If any provision of this act or the application thereof to
25 any person or circumstance is held invalid, such invalidity shall not affect
26 other provisions or applications of the act which can be given effect without
27 the invalid provision or application, and to this end the provisions of this
28 act are declared to be severable.

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30 SECTION 8. All laws and parts of laws in conflict with this act are
31 hereby repealed.

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33 SECTION 9. EMERGENCY. It is hereby found and determined by the General
34 Assembly that additional funds are necessary to provide higher quality
35 educational programs which are accessible by all segments of the population in

1 this state; that recent studies have shown that in the year 2000, workers must
2 have a minimum of fourteen (14) years of education to function in the work
3 force; that the state is in desperate need of training, retraining and
4 upgrading the work force; that this act will provide the funding necessary to
5 provide every citizen with an opportunity to participate in vocational-
6 technical training or college transfer programs; and that it is necessary for
7 this act to become effective immediately to provide the funding needed for
8 these programs as soon as possible. Therefore, an emergency is hereby
9 declared to exist and this act being necessary for the immediate preservation
10 of the public peace, health, and safety shall be in full force and effect from
11 and after its passage and approval.

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/s/Hardin, et al

APPROVED: 4-9-91