

1 **State of Arkansas**  
2 **80th General Assembly**  
3 **Regular Session, 1995**

# A Bill

**ACT 363 OF 1995**  
**HOUSE BILL 1441**

4 **By: Representatives Jordan, Cunningham, and P. Malone**

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## **For An Act To Be Entitled**

8 "AN ACT TO AMEND ARKANSAS CODE 15-4-1201 PERTAINING TO THE  
9 DEVELOPMENT OF BUSINESS AND INDUSTRY WITHIN THIS STATE; TO  
10 EXTEND STOCK PURCHASE BENEFITS FOR 1995 AND 1996; AND FOR  
11 OTHER PURPOSES."

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## **Subtitle**

14 "AN ACT TO AMEND ARKANSAS CODE 15-4-1201  
15 PERTAINING TO DEVELOPMENT OF BUSINESS  
16 AND INDUSTRY WITHIN THIS STATE."

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

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20 SECTION 1. Arkansas Code 15-4-1224(a) is amended to read as follows:

21 "(a) The original purchaser of common stock of a corporation shall be  
22 entitled to a credit against any Arkansas income tax liability which may be  
23 imposed on such purchaser for any tax year commencing on or after January 1,  
24 1991, for common stock purchased from the corporation and retained during any  
25 of the calendar years 1991, 1992, 1993, 1994, 1995 and 1996 to coincide with  
26 State Capitol Corporation. The credit shall be determined in the following  
27 manner:

28 (1) The credit is limited to an amount not to exceed thirty-three  
29 percent (33%) of the actual purchase price paid for the stock to the  
30 corporation, which shall include any fees or commissions to underwriters paid  
31 by the corporation. If any shares, once purchased from the corporation, are  
32 then sold or otherwise disposed of prior to five (5) years elapsing from the  
33 date of purchase, the maximum amount of any credit shall be reduced a pro rata  
34 amount;

35 (2) In any one (1) tax year, the credit allowed by this section  
36 shall not exceed fifty percent (50%) of the net Arkansas state income tax

1 liability of the taxpayer after all other credits and reductions in tax have  
2 been calculated;

3           (3) Any credit in excess of the amount allowed by subdivision  
4 (a) (2) of this section for any one (1) tax year may be carried forward and  
5 applied against Arkansas state income tax for the next-succeeding tax year and  
6 annually thereafter for a total period of three (3) years next succeeding the  
7 year in which the credit arose, subject to the provisions of subdivision  
8 (a) (2) of this section, or until the credit is exhausted, whichever occurs  
9 first. In no event will the credit allowed by this section be allowed for any  
10 tax year ending after December 31, 1998;

11           (4) Any original purchaser of common stock who seeks to qualify  
12 for the income tax credit provided in this section must:

13                   (A) Obtain a certified statement from the corporation  
14 issuing the common stock stating:

15                               (i) The name and address of the original purchaser;

16                               (ii) The number of shares purchased;

17                               (iii) The amount paid by the original purchaser for  
18 the common stock;

19                               (iv) The date of purchase of the common stock; and

20                               (v) The number of shares of the original purchase  
21 still owned by the original purchaser; and

22                   (B) Attach a copy of the certificate described in  
23 subdivision (a) (4) (A) of this section to the income tax return for the years  
24 the credit is claimed."

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26           SECTION 2. All provisions of this act of a general and permanent nature  
27 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code  
28 Revision Commission shall incorporate the same in the Code.

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30           SECTION 3. If any provision of this act or the application thereof to  
31 any person or circumstance is held invalid, such invalidity shall not affect  
32 other provisions or applications of the act which can be given effect without  
33 the invalid provision or application, and to this end the provisions of this  
34 act are declared to be severable.

35           SECTION 4. All laws and parts of laws in conflict with this act are

1 hereby repealed.

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APPROVED: 2-20-95

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