

Stricken language would be deleted from and underlined language would be added to law as it existed prior to the 82nd General Assembly.

1 State of Arkansas
2 82nd General Assembly
3 Regular Session, 1999

A Bill

Act 1036 of 1999
SENATE BILL 363

4
5 By: Senator Russ
6
7

For An Act To Be Entitled

8
9 "AN ACT TO CREATE AN INCOME TAX CREDIT FOR COMPANIES
10 THAT OFFER TUITION REIMBURSEMENT PROGRAMS FOR THEIR
11 EMPLOYEES; AND FOR OTHER PURPOSES."

Subtitle

12
13
14 "TO CREATE AN INCOME TAX CREDIT FOR
15 COMPANIES THAT OFFER TUITION
16 REIMBURSEMENT PROGRAMS FOR THEIR
17 EMPLOYEES."
18
19

20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
21

22 SECTION 1. Legislative Intent. It is recognized that the reimbursement
23 by an employer of tuition paid by the employee for training or courses that
24 aid in improving job skills is in the best interest of the state. Increasing
25 the skills and abilities of the workforce allows Arkansas to compete for jobs
26 that require specialized knowledge and talent not available in sufficient
27 supply. In order to reward those employers who subsidize educational
28 opportunities for their employees and to encourage other employers to make
29 such benefits available to their employees, it is necessary to create an
30 incentive.
31

32 SECTION 2. Creation of Tax Incentive. There shall be allowed a credit
33 against the income tax imposed by the Income Tax Act of 1929, beginning at
34 Arkansas Code § 26-51-101, equal to thirty percent (30%) of the cost of
35 tuition reimbursed by an employer to a full-time, permanent employee for the
36 cost of tuition, books and fees for a program of undergraduate or post-

1 graduate education from an accredited institution of post-secondary education
2 located in Arkansas. The incentive authorized by this Section shall not
3 exceed twenty-five percent (25%) of a business' income tax liability in any
4 year.

5
6 SECTION 3. Eligibility. The following types of businesses are eligible
7 for the tax benefit provided by Section 2 of this act:

8 (1) Manufacturers classified in Federal Standard Industrial
9 Classification (SIC) codes 20-39, including semiconductor and microelectronic
10 manufacturers;

11 (2) Computer businesses primarily engaged in providing computer
12 programming services; the design and development of prepackaged software;
13 businesses engaged in digital content production and digital preservation;
14 computer processing and data preparation services; information retrieval
15 services; computer and data processing consultants and developers, which
16 derive at least sixty percent (60%) of their revenue from out of state sales
17 and have no retail sales to the general public;

18 (3) Businesses primarily engaged in commercial physical and biological
19 research as classified by SIC code 8731;

20 (4) Businesses primarily engaged in motion picture production, which
21 derive at least sixty percent (60%) of their revenue from out of state sales
22 and have no retail sales to the general public;

23 (5) A distribution center, with no retail sales to the general public;

24 (6) An office sector business, with no retail sales to the general
25 public;

26 (7) A corporate or regional headquarters with no retail sales to the
27 general public;

28 (8) A trucking/distribution terminal, as classified by SIC code 4231,
29 with no retail sales to the general public.

30
31 SECTION 4. All provisions of this Act of a general and permanent nature
32 are amendatory to the Arkansas Code of 1987 and the Arkansas Code Revision
33 Commission shall incorporate the same in the Code.

34
35 SECTION 5. If any provision of this Act or the application thereof to
36 any person or circumstance is held invalid, such invalidity shall not affect

1 other provisions or applications of the Act which can be given effect without
2 the invalid provision or application, and to this end the provisions of this
3 Act are declared to be severable.

4
5 SECTION 6. All laws and parts of laws in conflict with this Act are
6 hereby repealed.

7
8
9 APPROVED: 4/1/1999

10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36