

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

SENATE BILL 166

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

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."

13
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.

2017/01 2018/01 2019/01

1 (b) Every foreign corporation doing business within the jurisdiction of
2 this state shall pay annually an income tax on the proportion of its entire
3 net income as now determined by the income tax laws of Arkansas, on the
4 following basis:

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

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

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

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

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

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

17

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

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

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

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

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

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

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

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

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

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

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34 SECTION 9. EMERGENCY. It is hereby found and determined by the General
35 Assembly that additional funds are necessary to provide higher quality

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

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/s/Hardin, et al