

1 **State of Arkansas**  
2 **78th General Assembly**  
3 **Regular Session, 1991**  
4 **By: Senator Gibson**

# A Bill

**SENATE BILL**

## For An Act To Be Entitled

8 "AN ACT TO AMEND TITLE 15, CHAPTER 4, SUBCHAPTER 10 OF THE  
9 ARKANSAS CODE OF 1987 ANNOTATED; TO EXTEND THE TIME PERIOD  
10 DURING WHICH PURCHASERS OF COMMON STOCK OF CAPITAL  
11 DEVELOPMENT CORPORATIONS MAY CLAIM THE INCOME TAX CREDIT  
12 PROVIDED FOR PURSUANT TO SUCH SUBCHAPTER; DECLARING AN  
13 EMERGENCY; AND FOR OTHER PURPOSES."

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

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17 SECTION 1. Section 15-4-1026(a) of the Arkansas Code of 1987 Annotated  
18 is hereby amended to read as follows:

19 "(a) The original purchaser of common stock of a corporation shall be  
20 entitled to a credit against any state income tax liability which may be  
21 imposed on such purchaser for any tax year commencing on or after January 1,  
22 1985, for common stock purchased from the corporation in any of the calendar  
23 years 1985 through 1994. The credit shall be determined in the following  
24 manner:

25 (1) The credit is limited to an amount not to exceed thirty-three  
26 percent (33%) of the actual purchase price paid for the stock to the  
27 corporation, which shall include any fees or commissions to underwriters paid  
28 by the corporation;

29 (2) In any one (1) tax year, the credit allowed by this section  
30 shall not exceed fifty percent (50%) of the net Arkansas state income tax  
31 liability of the taxpayer after all other credits and reductions in tax have  
32 been calculated;

33 (3) Any credit in excess of the amount allowed by subsection (2)  
34 of this section for any one (1) tax year may be carried forward and applied  
35 against Arkansas State Income Tax for the next succeeding tax year and

1 annually thereafter for a total period of three (3) years next succeeding the  
2 year in which the credit arose, subject to the provisions of subsection (2) of  
3 this section, or until the credit is exhausted, whichever occurs first. In no  
4 event will the credit allowed by this section be allowed for any tax year  
5 ending after December 31, 1994;

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

8 (A) Obtain a certified statement from the corporation  
9 issuing the common stock stating the name and address of the original  
10 purchaser, the number of shares purchased, the amount paid by the original  
11 purchaser for the common stock, and the date of purchase of the common stock,  
12 and

13 (B) Attach a copy of the certificate described in  
14 subdivision (4)(A) of this subsection to the income tax return for the years  
15 the credit is claimed."

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

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21 SECTION 3. If any provision of this act or the application thereof to  
22 any person or circumstance is held invalid, such invalidity shall not affect  
23 other provisions or applications of the act which can be given effect without  
24 the invalid provision or application, and to this end the provisions of this  
25 act are declared to be severable.

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27 SECTION 4. All laws and parts of laws in conflict with this act are  
28 hereby repealed.

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30 SECTION 5. Emergency. It has been found and is hereby declared by the  
31 General Assembly of the State of Arkansas that there exists inadequate  
32 financial incentive to encourage the use of capital development corporations  
33 to finance the agricultural, industrial, technological, scientific and  
34 economic development of the State, that on account of such inadequate  
35 financial incentive, capital development corporations have not been fully

1 utilized to provide inhabitants of the State sufficient opportunities in  
2 agriculture and industry, that on account thereof the State of Arkansas is  
3 threatened with a decreasing standard of living for its inhabitants, that  
4 unless an adequate program for financing the agricultural, industrial,  
5 technological, scientific and economic development of the State be immediately  
6 undertaken, the State of Arkansas will suffer immediate and irreparable loss  
7 in population and the opportunity for agricultural and industrial expansion,  
8 and that only by the passage of this Act and giving immediate effect to its  
9 provisions, can the State of Arkansas prevent losses in population and secure  
10 to its inhabitants opportunities for agricultural, industrial, technological,  
11 scientific and economic development. An emergency, therefore, is hereby  
12 declared to exist, and this Act being necessary for the preservation of the  
13 public peace, health and safety, shall take effect and be in full force from  
14 and after its passage.

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