

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 84th General Assembly
3 Regular Session, 2003
4

As Engrossed: S4/2/03
A Bill

SENATE BILL 955

5 By: Senator Steele
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8 **For An Act To Be Entitled**

9 AN ACT TO AMEND ACT 182 OF 2003 TO PROVIDE THAT
10 BOTH FOR PROFIT AND NOT-FOR-PROFIT BUSINESSES
11 QUALIFY FOR ECONOMIC DEVELOPMENT INCENTIVES; AND
12 FOR OTHER PURPOSES.
13

14 **Subtitle**

15 AN ACT TO AMEND ACT 182 OF 2003 TO
16 PROVIDE THAT BOTH FOR PROFIT AND NOT-
17 FOR-PROFIT BUSINESSES QUALIFY FOR
18 ECONOMIC DEVELOPMENT INCENTIVES.
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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23 *SECTION 1. Arkansas Code § 15-4-2703(1), as added by Act 182 of 2003,*
24 *is amended to read as follows:*

25 *(10) "Eligible businesses" means non-retail businesses engaged in*
26 *commerce for profit or not for profit that meet the eligibility requirements*
27 *for the applicable incentive offered by this subchapter, and fall into one*
28 *(1) or more of the following categories:*

29 *(A) Manufacturers classified in sectors 31-33 in the North*
30 *American Industrial Classification System, as in effect January 1, 2003;*

31 *(B)(i) Businesses primarily engaged in the design and*
32 *development of prepackaged software, digital content production and*
33 *preservation, computer processing and data preparation services, or*
34 *information retrieval services.*

35 *(ii) All businesses in this group shall derive at least*
36 *seventy-five percent (75%) of their revenue from out-of-state sales;*



1 (C)(i) Businesses primarily engaged in motion picture
2 productions.

3 (ii) All businesses in this group shall derive at least
4 seventy-five percent (75%) of their revenue from out-of-state sales;

5 (D) A distribution center;

6 (E) An office sector business;

7 (F) A national or regional corporate headquarters;

8 (G) Firms primarily engaged in commercial, physical and
9 biological research as classified in the North American Industrial
10 Classification System, as in effect January 1, 2003; and

11 (H)(i) Scientific and technical services business.

12 (ii)(a) All businesses in this group shall derive at least
13 seventy-five percent (75%) of their revenue from out-of-state sales; and

14 (b) The average hourly wages paid by businesses in
15 this group shall exceed one hundred fifty percent (150%) of the county or
16 state average hourly wage, whichever is less;

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18 SECTION 2. Arkansas Code § 15-4-2703(21), as added by Act 182 of 2003,
19 is amended to read as follows:

20 (21) "Non-retail business" means a for profit business that derives
21 less than ten percent (10%) of its total Arkansas revenue from sales to the
22 general public or a not-for-profit business that derives less than ten
23 percent (10%) of its total revenue from sales to the general public;
24

25 SECTION 3. Arkansas Code § 15-4-2703, as added by Act 182 of 2003, is
26 amended to add an additional subdivision to read as follows:

27 (39)(A) "Not-for-profit business" means non-retail businesses engaged
28 in commerce not-for-profit.

29 (B) Businesses in this group may not be hospitals, public or
30 private school, colleges, or universities, or churches or institutions that
31 regularly conduct religious services for the general public on the premises;

32 (C) All businesses in this group must derive at least seventy-
33 five percent (75%) of their revenue from out-of-state sales and
34 contributions; and

35 (D) Businesses in this group are only eligible for the sales and
36 use tax refunds under § 15-4-2706(d) and shall not be eligible for the other

1 benefits authorized under this subchapter, nor shall any business transfer or
2 sell any benefit authorized under this subchapter to any other taxpayer.

3
4 SECTION 4. EMERGENCY CLAUSE. It is found and determined by the
5 General Assembly of the State of Arkansas that existing Arkansas not-for-
6 profit businesses must remain competitive in today's global economy; that the
7 tax incentive provided by this act is necessary to provide not-for-profit
8 businesses with the incentive to invest in Arkansas and hire Arkansans; that
9 other states compete with Arkansas for the location or expansion of not-for-
10 profit business activity and this incentive is also necessary to offer the
11 companies a business environment compatible with other states; that without
12 this incentive, not-for-profit companies considering locations or expansions
13 of their businesses may choose to locate in another state, depriving
14 Arkansans of these jobs and the economic benefit that the jobs bring to the
15 state; that the immediate effectiveness of this is essential to the economic
16 incentives provided in this act. Therefore, an emergency is declared to
17 exist and this act being immediately necessary for the preservation of the
18 public peace, health, and safety shall become effective on:

19 (1) The date of its approval by the Governor;

20 (2) If the bill is neither approved nor vetoed by the Governor, it
21 shall become effective on the expiration of the period of time during which
22 the Governor may veto the bill; or

23 (3) If the bill is vetoed by the Governor and the veto is overridden,
24 it shall become effective on the date the last house overrides the veto.

25 /s/ Steele
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