

1 State of Arkansas
2 90th General Assembly
3 Regular Session, 2015
4

A Bill

HOUSE BILL 1187

5 By: Representative Leding
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For An Act To Be Entitled

8 AN ACT TO PROVIDE A TAX CREDIT AGAINST INCOME TAX FOR
9 BUSINESSES WHO EMPLOY RECENTLY RETURNED COMBAT
10 VETERANS; AND FOR OTHER PURPOSES.
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Subtitle

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13 TO PROVIDE A TAX CREDIT AGAINST INCOME
14 TAX FOR BUSINESSES WHO EMPLOY RECENTLY
15 RETURNED COMBAT VETERANS.
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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21 SECTION 1. Arkansas Code Title 26, Chapter 51, Subchapter 5, is
22 amended to add an additional section to read as follows:

23 26-51-515. Qualified business – Employment of recently returned combat
24 veteran – Tax credit.

25 (a) As used in this section:

26 (1) "Active duty" means full-time duty in the active military
27 service of any branch of the United States Armed Forces or the National Guard
28 and reserve components of the armed services;

29 (2) "Qualified small business" means a business that:

30 (A) Is independently owned and operated;

31 (B) Is for profit;

32 (C) Is not dominant in its field; and

33 (D) Meets the requirements of the Small Business
34 Administration Small Business Size Standards, 13 C.F.R. § 121.201, as the
35 regulations existed on January 26, 2015; and

36 (3) "Recently returned combat veteran" means a veteran who has



1 served on active duty in a combat zone on and after January 1, 2001.

2 (b) There is allowed a credit against the income tax imposed by the
 3 Income Tax Act of 1929, § 26-51-101 et seq., of one thousand five hundred
 4 dollars (\$1,500) for each recently returned combat veteran who is hired by a
 5 qualified small business.

6 (c) The income tax credit created by subsection (b) of this section:

7 (1) Shall first be available in the taxable year following the
 8 hire of the recently returned combat veteran by the qualified small business;

9 (2) Shall be available for two (2) consecutive tax years
 10 following the taxable year in which the recently returned combat veteran was
 11 hired by the qualified small business.

12 (3) Shall not exceed:

13 (A) Three thousand dollars (\$3,000) within the two
 14 consecutive tax years following the taxable year in which the recently
 15 returned combat veteran was hired by the qualified small business; and

16 (B) The amount of income tax due by the taxpayer in a
 17 taxable year; and

18 (4) May be carried forward for a tax year that falls within two
 19 (2) years following the taxable year in which the recently returned combat
 20 veteran was hired by the qualified small business.

21 (d) The administration of this section shall be under the provisions
 22 of the Arkansas Tax Procedure Act, § 26-18-101 et seq.

23 (e) The Director of the Department of Finance and Administration shall
 24 promulgate rules to implement this section.

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 26 SECTION 2. EFFECTIVE DATE. This act is effective for tax years
 27 beginning on and after January 1, 2016.