

1 **State of Arkansas**
2 **80th General Assembly**
3 **Regular Session, 1995**
4 **By: Senator Gordon**

A Bill

ACT 1044 OF 1995
SENATE BILL 575

For An Act To Be Entitled

8 "AN ACT TO AMEND ARKANSAS CODE 15-4-1224 PERTAINING TO THE
9 INCOME TAX CREDIT ALLOWED UNDER THE COUNTY AND REGIONAL
10 INDUSTRIAL DEVELOPMENT CORPORATION ACT; AND FOR OTHER
11 PURPOSES."

Subtitle

14 "AN ACT TO AMEND ARKANSAS CODE 15-4-1224
15 PERTAINING TO THE INCOME TAX CREDIT
16 ALLOWED UNDER THE COUNTY AND REGIONAL
17 INDUSTRIAL DEVELOPMENT CORPORATION ACT."

19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

21 SECTION 1. Arkansas Code 15-4-1224(a) is amended to read as follows:

22 "(a) The original purchaser of common stock of a corporation shall be
23 entitled to a credit against any Arkansas income tax liability which may be
24 imposed on such purchaser for any tax year commencing on or after January 1,
25 1991, for common stock purchased from the corporation and retained during any
26 of the calendar years 1996, 1997, 1998, and 1999 to coincide with State
27 Capitol Corporation. The credit shall be determined in the following manner:

28 (1) The credit is limited to an amount not to exceed thirty-three
29 percent (33%) of the actual purchase price paid for the stock to the
30 corporation, which shall include any fees or commissions to underwriters paid
31 by the corporation. If any shares, once purchased from the corporation, are
32 then sold or otherwise disposed of prior to five (5) years elapsing from the
33 date of purchase, the maximum amount of any credit shall be reduced a pro rata
34 amount;

35 (2) In any one (1) tax year, the credit allowed by this section
36 shall not exceed fifty percent (50%) of the net Arkansas state income tax

1 liability of the taxpayer after all other credits and reductions in tax have
2 been calculated;

3 (3) Any credit in excess of the amount allowed by subdivision
4 (a) (2) of this section for any one (1) tax year may be carried forward and
5 applied against Arkansas state income tax for the next-succeeding tax year and
6 annually thereafter for a total period of three (3) years next succeeding the
7 year in which the credit arose, subject to the provisions of subdivision
8 (a) (2) of this section, or until the credit is exhausted, whichever occurs
9 first. In no event will the credit allowed by this section be allowed for any
10 tax year ending after December 31, 1999;

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

13 (A) Obtain a certified statement from the corporation
14 issuing the common stock stating:

15 (i) The name and address of the original purchaser;

16 (ii) The number of shares purchased;

17 (iii) The amount paid by the original purchaser for
18 the common stock;

19 (iv) The date of purchase of the common stock; and

20 (v) The number of shares of the original purchase
21 still owned by the original purchaser; and

22 (B) Attach a copy of the certificate described in
23 subdivision (a) (4) (A) of this section to the income tax return for the years
24 the credit is claimed."

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

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30 SECTION 3. If any provision of this act or the application thereof to
31 any person or circumstance is held invalid, such invalidity shall not affect
32 other provisions or applications of the act which can be given effect without
33 the invalid provision or application, and to this end the provisions of this
34 act are declared to be severable.

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

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/s/Gordon

APPROVED: 4-10-95

