

1 **State of Arkansas**
2 **80th General Assembly**
3 **Regular Session, 1995**

A Bill

ACT 394 OF 1995
SENATE BILL 414

4 **By: Senators Wilson, Gwatney, and Fitch**
5 **By: Representatives Baker, Hogue, and Calhoun**

For An Act To Be Entitled

8 "AN ACT TO AMEND VARIOUS SECTIONS OF THE ARKANSAS
9 ENTERPRISE ZONE ACT TO CLARIFY THE PROVISIONS RELATING TO
10 TAX CREDITS AND OTHER INCENTIVES DESIGNED TO PROMOTE
11 INDUSTRIAL DEVELOPMENT; AND FOR OTHER PURPOSES."

Subtitle

14 "TO AMEND VARIOUS SECTIONS OF THE
15 ARKANSAS ENTERPRISE ZONE ACT RELATING TO
16 INCENTIVES DESIGNED TO PROMOTE
17 INDUSTRIAL DEVELOPMENT."

18
19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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21 SECTION 1. Arkansas Code 15-4-1702(7) is amended to read as follows:

22 "(7) New permanent employee means a position or job which was created
23 as a result of a project and which is filled by one or more employees or
24 contractual employees who were Arkansas residents when hired, as well as
25 during the year in which the tax credits or incentives were earned. The
26 position or job held by such employee or employees must have had someone
27 working in it for at least twenty-six (26) consecutive weeks with an average
28 of at least thirty (30) hours per week. Provided however, in order to qualify
29 for the provisions of this act a contractual employee must be offered a
30 benefits package comparable to a direct employee of the business seeking
31 incentives under this act;"

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33 SECTION 2. Arkansas Code 15-4-1702(12) is amended to read as follows:

34 "(12) Net new permanent employee means a new permanent employee which
35 could not have been claimed for tax credits or incentives under this act
36 during the preceding taxable year. The number of net new permanent employees

1 shall be equal to the total number of new permanent employees for the current
2 year minus the total number of new permanent employees for the previous tax
3 year."

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5 SECTION 3. Arkansas Code 15-4-1702 is amended by adding a new
6 subdivision (13) to read as follows:

7 "(13) Research, development, testing business means a business
8 engaged in research and development performed within this state in the fields
9 of advanced computing, advanced materials, biotechnology, electronic device
10 technology and environmental technology and comes within the Standard
11 Industrial Classification number 8731."

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13 SECTION 4. Arkansas Code 15-4-1704(b)(1)(A) is amended to read as
14 follows:

15 "(A) The qualified business is an industry that fits into Standard
16 Industrial Classification numbers 20 - 39, or 7375, 7376, 4231 or 8731, or a
17 distribution center, corporate headquarters, office sector business, trucking
18 sector business, or a research, development, testing business, as defined in
19 15-4-1702, and located within Arkansas;"

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21 SECTION 5. Arkansas Code 15-4-1704(e) is amended to read as follows:

22 "(e) To be counted as a new permanent employee for the purpose of
23 qualifying for the tax credits and incentives provided in this section, the
24 employee(s) in the position or job must have been an Arkansas resident during
25 the year in which the tax credits or incentives were earned."

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

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31 SECTION 7. If any provision of this act or the application thereof to
32 any person or circumstance is held invalid, such invalidity shall not affect
33 other provisions or applications of the act which can be given effect without
34 the invalid provision or application, and to this end the provisions of this
35 act are declared to be severable.

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

SECTION 9. EMERGENCY. It is hereby found and determined by the General Assembly that unemployment and economic underdevelopment have reached intolerable levels in certain portions of this state, and that the establishment of tax incentives afforded by this act are crucial to the development and expansion of job opportunities in those areas. Therefore an emergency is hereby declared to exist and this act being necessary for the preservation of the public peace, health and safety shall be in full force and effect from and after its passage and approval.

APPROVED: 2-20-95

