

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

# A Bill

HOUSE BILL 1132

5 By: Representative M. Hodges  
6 By: Senators Burnett, K. Ingram  
7

## For An Act To Be Entitled

9 AN ACT TO MODIFY THE ALLOCATION OF RECYCLING TAX  
10 CREDITS AMONG OWNERS IF AN ARKANSAS PUBLIC RETIREMENT  
11 SYSTEM IS AN OWNER; TO DECLARE AN EMERGENCY; AND FOR  
12 OTHER PURPOSES.  
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## Subtitle

16 TO MODIFY THE ALLOCATION OF RECYCLING TAX  
17 CREDIT AMONG OWNERS IF AN ARKANSAS PUBLIC  
18 RETIREMENT SYSTEM IS AN OWNER; AND TO  
19 DECLARE AN EMERGENCY.  
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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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24 SECTION 1. Arkansas Code § 26-51-506(h)(1), concerning the allocation  
25 of recycling tax credits, is amended to read as follows:

26 (h)(1) In the case of a proprietorship, ~~or~~ partnership, limited  
27 liability company, or other business organization treated as a proprietorship  
28 or partnership for tax purposes engaged in the business of waste reduction,  
29 reuse, or recycling of solid waste, the amount of the credit determined under  
30 this section for any taxable year shall be apportioned to each proprietor, ~~or~~  
31 partner, member, or other owner in proportion to the amount of income from  
32 the entity which the proprietor, ~~or~~ partner, or other owner is required to  
33 include as gross income or as otherwise provided for in the applicable  
34 ownership or operating agreements if a proprietor, partner, member, or other  
35 owner of the organization is a public retirement system of the State of  
36 Arkansas.



1           (2) In the case of a Subchapter S corporation, as allowed by §  
2 26-51-409, the amount of the credit determined under this section for any  
3 taxable year shall be apportioned among the persons who are shareholders of  
4 the corporation on the last day of the taxable year based on each person's  
5 percentage of ownership or as otherwise provided for in the applicable  
6 articles of incorporation or bylaws if at least one of the shareholders is a  
7 public retirement system of the State of Arkansas.

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9           SECTION 2. EMERGENCY CLAUSE. It is found and determined by the  
10 General Assembly of the State of Arkansas that certain provisions of the tax  
11 credit allocations for waste reduction, reuse, or recycling equipment should  
12 be modified to encourage Arkansas public retirement systems to invest in  
13 Arkansas-based recycling projects by allowing the tax credits to be allocated  
14 in a way that would benefit the investment made by an Arkansas public  
15 retirement system. Without this change, certain investments may not be made  
16 and could affect the investment returns of the Arkansas public retirement  
17 systems and discourage economic development in Arkansas. Therefore, an  
18 emergency is declared to exist and this act being necessary for the  
19 preservation of the public peace, health, and safety shall become effective  
20 on:

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

22           (2) If the bill is neither approved nor vetoed by the Governor,  
23 the expiration of the period of time during which the Governor may veto the  
24 bill; or

25           (3) If the bill is vetoed by the Governor and the veto is  
26 overridden, the date the last house overrides the veto.