

1 State of Arkansas
2 91st General Assembly
3 Regular Session, 2017
4

A Bill

HOUSE BILL 1395

5 By: Representatives Leding, E. Armstrong, Blake, K. Ferguson, V. Flowers, M.J. Gray, M. Hodges,
6 Johnson, Murdock, Sabin, D. Whitaker
7 By: Senators D. Wallace, S. Flowers
8

For An Act To Be Entitled

9
10 AN ACT TO CREATE AN INCOME TAX CREDIT FOR CERTAIN
11 TAXPAYERS THAT EMPLOY A RECENTLY RETURNED VETERAN;
12 AND FOR OTHER PURPOSES.
13
14

Subtitle

15
16 TO CREATE AN INCOME TAX CREDIT FOR
17 TAXPAYERS THAT EMPLOY A RECENTLY RETURNED
18 VETERAN.
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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 Title 26, Chapter 51, Subchapter 5, is
24 amended to add an additional section to read as follows:

25 26-51-515. Employment of recently returned veteran.

26 (a) As used in this section:

27 (1) "Active duty" means full-time duty in the active military
28 service of any of the following:

29 (A) A branch of the United States Armed Forces;

30 (B) The National Guard of any state; or

31 (C) A reserve component of the United States Armed Forces;

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

33 (A) Is independently owned and operated;

34 (B) Is for profit;

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

36 (D) Meets the requirements of the Small Business



1 Administration Small Business Size Standards, 13 C.F.R. § 121.201, as the
 2 regulations existed on July 1, 2016; and

3 (3) “Recently returned veteran” means a veteran who has served
 4 on active duty on or after January 1, 2001.

5 (b) There is allowed a credit against the income tax imposed by this
 6 chapter on the income of a taxpayer that is a qualified small business in the
 7 amount of one thousand five hundred dollars (\$1,500) for each recently
 8 returned veteran who is:

9 (1) Hired by the taxpayer; and

10 (2) Employed by the taxpayer:

11 (A) For at least eight (8) months during the tax year for
 12 which the income tax credit allowed under this section is claimed; and

13 (B) At the time the income tax credit allowed under this
 14 section is claimed.

15 (c) The income tax credit created under subsection (b) of this section
 16 is available for a maximum of two (2) consecutive tax years for each recently
 17 returned combat veteran hired.

18 (d) The amount of the income tax credit under this section that may be
 19 claimed by the taxpayer in a tax year shall not exceed the amount of income
 20 tax due by the taxpayer.

21
 22 SECTION 2. EFFECTIVE DATE. This act is effective for tax years
 23 beginning on or after January 1, 2018.