

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

As Engrossed: H3/14/17

A Bill

HOUSE BILL 1822

5 By: Representative Lundstrum
6 By: Senator Hester
7

For An Act To Be Entitled

9 AN ACT TO AMEND THE ANNUAL FRANCHISE TAX; AND FOR
10 OTHER PURPOSES.

Subtitle

14 TO AMEND THE ANNUAL FRANCHISE TAX.

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

19 *SECTION 1. Arkansas Code § 26-54-104 is amended to read as follows:*
20 *26-54-104. Annual franchise tax.*

21 *Unless exempted under § 26-54-105, every corporation shall file an*
22 *annual franchise tax report and pay an annual franchise tax as follows:*

23 *(1)(A) Each life, fire, accident, surety, liability, steam*
24 *boiler, tornado, health, or other kind of insurance company of whatever*
25 *nature, having an outstanding capital stock of less than five hundred*
26 *thousand dollars (\$500,000) shall pay ~~three hundred dollars (\$300)~~ one*
27 *hundred dollars (\$100).*

28 *(B) Each company having an outstanding capital stock of*
29 *five hundred thousand dollars (\$500,000) or more shall pay ~~four hundred~~*
30 *~~dollars (\$400)~~ one hundred thirty-five dollars (\$135);*

31 *(2)(A) Each legal reserve mutual insurance corporation having*
32 *assets of less than one hundred million dollars (\$100,000,000) shall pay*
33 *~~three hundred dollars (\$300)~~ one hundred dollars (\$100).*

34 *(B) Each corporation having assets of one hundred million*
35 *dollars (\$100,000,000) or more shall pay ~~four hundred dollars (\$400)~~ one*
36 *hundred thirty-five dollars (\$135);*



1 (3) Each mutual assessment insurance corporation shall pay ~~three~~
2 ~~hundred dollars (\$300)~~ one hundred dollars (\$100);

3 (4)(A) Each mortgage loan corporation shall pay an amount
4 equivalent to ~~three-tenths of one percent (0.3%)~~ one-tenth of one percent
5 (0.1%) of that proportion of the par value of its outstanding capital stock
6 that its aggregate outstanding loans made in Arkansas bears to the total
7 aggregate outstanding loans made in all states.

8 (B) No corporation shall pay an annual tax of less than
9 ~~three hundred dollars (\$300)~~ one hundred dollars (\$100);

10 (5) Each corporation, other than those in subdivisions (2)-(4)
11 of this section, without authorized capital stock shall pay ~~three hundred~~
12 ~~dollars (\$300)~~ one hundred dollars (\$100);

13 (6)(A) Each corporation, other than those in subdivisions (1)-
14 (5) of this section, shall pay an amount equivalent to ~~three-tenths of one~~
15 ~~percent (0.3%)~~ one-tenth of one percent (0.1%) of that proportion of the par
16 value of its outstanding capital stock that the value of its real and
17 personal property in Arkansas bears to the total value of the real and
18 personal property of the corporation.

19 (B) No corporation shall pay an annual tax of less than
20 ~~one hundred fifty dollars (\$150)~~ fifty dollars (\$50.00);

21 (7) Each corporation actually and actively in the process of
22 liquidation ~~and which that~~ does not rent or lease its property but ~~which that~~
23 retains its corporate charter or authority for the sole purpose of winding up
24 its affairs shall pay an annual tax as provided in subdivision (6) of this
25 section or an amount equivalent to ~~three-tenths of one percent (0.3%)~~ one-
26 tenth of one percent (0.1%) of the value of its real and tangible personal
27 property in Arkansas, whichever is smaller, but ~~in no instance shall~~ the tax
28 shall not be less than ~~one hundred fifty dollars (\$150)~~ fifty dollars
29 (\$50.00); and

30 (8) An organization formed ~~pursuant to~~ under the Small Business
31 Entity Tax Pass Through Act, § 4-32-101 et seq., shall pay the minimum
32 franchise tax.

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34 SECTION 2. EFFECTIVE DATE. This act is effective for tax years
35 beginning on and after January 1, 2017.

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/s/Lundstrum

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