

# Department of Finance and Administration

## Legislative Impact Statement

**Bill: SB161**

**Bill Subtitle: TO REPEAL THE ARKANSAS PUBLIC ROADS IMPROVEMENTS CREDIT ACT; AND TO REPEAL THE PUBLIC ROADS INCENTIVE FUND.**

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### **Basic Change :**

**Sponsor: Senator D. Wallace**

This bill would repeal the Arkansas Public Roads Improvement Credit Act and repeal the Public Roads Incentive Fund. Under current law, there is allowed an income tax credit for taxpayers that contribute to the Public Roads Incentives Fund of the Arkansas Economic Development Commission. The credit is equal to 33% of the taxpayer's contribution. The credit may not exceed 50% of the taxpayer's income tax liability after all other credits and reductions in tax have been calculated. Any unused credit may be carried forward for three (3) years.

### **Revenue Impact :**

None. There have been no tax credits issued since 2007 under the existing law.

### **Taxpayer Impact :**

The tax credit program will no longer be available to taxpayers.

### **Resources Required :**

None.

### **Time Required :**

Adequate time is provided.

### **Procedural Changes :**

Tax forms and instructions will need to be revised. Department employees and public will need to be educated.

### **Other Comments :**

None.

### **Legal Analysis :**

SB161 repeals the Arkansas Public Roads Improvements Credit Act. That Act was enacted in 1999 to create a fund to be used for improvements to public roads, to encourage taxpayers to contribute money to that fund, and to provide an income tax credit equal to 33% of the amount contributed by a taxpayer to the fund. The current balance in the fund is \$0, no contributions have been received into this fund in several years, and there are no outstanding tax credits.