

2 State of Arkansas
3 88th General Assembly
4 Regular Session, 2011

As Engrossed: H3/17/11

A Bill

HOUSE BILL 2051

5
6 By: Representative Biviano

7 Filed with: Interim House Committee on Revenue and Taxation
8 pursuant to A.C.A. §10-3-217.

For An Act To Be Entitled

9
10 AN ACT TO INCREASE THE EQUITY INVESTMENT FUND TAX
11 CREDIT; AND FOR OTHER PURPOSES.

Subtitle

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14 TO INCREASE THE EQUITY INVESTMENT FUND
15 TAX CREDIT.
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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21 *SECTION 1. Arkansas Code § 15-4-3302(c)(1), concerning equity
22 investment incentives, is amended to read as follows:*

23 *(c)(1) An equity investment incentive tax credit is created that shall
24 be equal to ~~thirty three and one third percent (33 1/3%)~~ a percentage, as
25 provided in § 15-4-3305(b)(1), of the approved amount invested by an investor
26 in an eligible business, as identified in § 15-4-3303(a).*

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28 *SECTION 2. Arkansas Code § 15-4-3305(b)(1), concerning the
29 determination of an equity investment incentive tax credit, is amended to
30 read as follows:*

31 *(b) The credit against state income tax liability shall be determined
32 in the following manner:*

33 *(1)(A) The credit shall ~~not exceed thirty three and one third~~
34 percent (33 1/3%) be a percentage of the actual purchase price paid for the
35 equity interest to the business, less any fees or commissions to underwriters
36 or sales agents paid by the business.*

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(B) The percentage in subdivision (b)(1)(A) is determined as follows:

(i) Thirty-three and one-third percent (33 1/3%) for an investment in an eligible business that pays wages of at least one hundred fifty percent (150%) but less than two hundred percent (200%) of the lesser of the state average wage or county average wage for the preceding year;

(ii) Forty-two percent (42%) for an investment in an eligible business that pays wages at least two hundred percent (200%) but less than two hundred fifty percent (250%) of the lesser of the state average wage or county average wage for the preceding year; or

(iii) Fifty percent (50%) for an investment in an eligible business that pays wages of at least two hundred fifty percent (250%) of the lesser of the state average wage or county average wage for the preceding year;

/s/Biviano

Referred by the Arkansas House of Representatives
Prepared by: MMC/VJF