

INTERIM STUDY PROPOSAL 2009-235

State of Arkansas
87th General Assembly
Fiscal Session, 2010

A Bill

MGF/KSW
HOUSE BILL

By: Representative George

Filed with: House Interim Committee on Public Health, Welfare and Labor
pursuant to A.C.A. §10-3-217.

For An Act To Be Entitled

AN ACT TO CREATE A PILOT PROGRAM FOR IMPROVING
THE OPERATIONS AND EFFECTIVENESS OF ALCOHOL AND
DRUG TREATMENT PROGRAMS AND FOR NEW BUILDING
CONSTRUCTION; TO CREATE AN INCOME TAX CREDIT FOR
EMPLOYERS; AND FOR OTHER PURPOSES.

Subtitle

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IMPROVING THE OPERATIONS AND
EFFECTIVENESS OF ALCOHOL AND DRUG
TREATMENT PROGRAMS AND TO CREATE AN
INCOME TAX CREDIT FOR EMPLOYERS.

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

SECTION 1. Findings.

The General Assembly finds that:

- (1) Drug and alcohol addiction pose serious dangers to society;
- (2) Funding for drug and alcohol treatment has lagged behind the growing problem of addiction;
- (3) Drug and alcohol treatment programs need to expand their facilities and their programs to meet the increasing need;
- (4) An income tax credit program for employers that voluntarily enroll at-risk employees in drug and alcohol treatment programs would create

1 new sources of revenue while increasing employer awareness of the benefits of
2 early intervention;

3 (5) An income tax credit program for employers that donate to
4 the Treatment Facilities Capital Expense Fund for the construction of new and
5 expanded residential facilities for alcohol and drug treatment programs would
6 allow alcohol and drug treatment programs greater opportunities to meet the
7 rapidly growing problem of addiction; and

8 (6) A pilot program will provide the General Assembly with data
9 necessary to determine the most effective methods for expanding and improving
10 drug and alcohol treatment programs statewide.

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12 SECTION 2. Pilot program for alcohol and drug treatment.

13 (a) A pilot program is created to provide an income tax credit for an
14 employer that pays for alcohol treatment or drug treatment, or both, for one
15 (1) or more of the employer's employees.

16 (b)(1) The pilot program shall be available to individuals who are
17 enrolled for alcohol treatment or drug treatment, or both at The Freedom
18 House, Inc. of the Arkansas River Valley Area Council.

19 (2) The Freedom House, Inc serves Conway, Faulkner, Johnson,
20 Perry, Pope, and Yell counties.

21 (c)(1) The Office of Alcohol and Drug Abuse Prevention shall monitor
22 the pilot program to determine its effectiveness and cost efficiency.

23 (2) The office shall report its findings to the Chair of the
24 House Interim Committee on Public Health, Welfare, and Labor on or before,
25 October 1, 2010.

26 (d) The income tax credits provided by this act may be used in the
27 pilot program:

28 (1) For activities designed to raise awareness of the pilot
29 program;

30 (2) To improve the operations and effectiveness of alcohol and
31 drug treatment programs; and

32 (3) For repair and expansion of existing buildings and new
33 building construction.

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35 SECTION 3. Applicability – Effective date.

36 (a) The income tax credits provided by this act shall apply to taxable

1 years beginning on or after January 1, 2009, and all taxable years
2 thereafter.

3 (b) No taxpayer claiming a tax credit under this act may claim an
4 income tax credit under any similar act for any costs related to alcohol and
5 drug treatment programs.

6 (c) Income tax credits issued under this act to partnerships, limited
7 liability companies, Subchapter S corporations, or fiduciaries may pass
8 through to their members, managers, partners, shareholders, or beneficiaries.

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10 SECTION 4. Credit granted.

11 (a) For alcohol and drug treatment programs under this act, there is
12 allowed as a credit against the tax imposed by the Income Tax Act of 1929, §
13 26-51-101 et seq., in the amount of one dollar and fifty cents (\$1.50) for
14 each one dollar (\$1.00):

15 (1) Paid for alcohol treatment or drug treatment, or both, for
16 each employee who enrolls in and completes at the employer's expense an
17 alcohol and drug treatment program; or

18 (2) Donated to the Treatment Facilities Capital Expense Fund
19 created in § 19-5-1236.

20 (b) The amount of the income tax credit that may be used by a taxpayer
21 for a taxable year may not exceed the amount of individual income tax or
22 corporate income tax otherwise due.

23 (c) Any unused income tax credit may be:

24 (1) Carried forward for a maximum of five (5) consecutive
25 taxable years following the taxable year in which the income tax credit
26 originated; and

27 (2) Carried back for a maximum of two (2) consecutive taxable
28 years preceding the taxable year in which the income tax credit originated.

29 (d) The Department of Finance and Administration shall promulgate
30 rules to implement the tax credit under this section.

31
32 SECTION 5. Arkansas Code Title 19, Chapter 5 is amended to add an
33 additional section to read as follows:

34 19-5-1236. Treatment Facilities Capital Expense Fund.

35 (a) There is created on the books of the Treasurer of State, the
36 Auditor of State, and the Chief Fiscal Officer of the State a special revenue

1 fund to be known as the "Treatment Facilities Capital Expense Fund".

2 (b)(1) All moneys donated under section 4, subdivision (a)(2) of this
3 act shall be deposited into the State Treasury to the credit of the fund as
4 special revenues.

5 (2) The fund shall also consist of any other revenues as may be
6 authorized by law.

7 (c) The fund shall be used by the Office of Alcohol and Drug Abuse
8 Prevention only for activities designed to raise awareness of the pilot
9 program and for the construction of new and expanded residential facilities
10 alcohol and drug treatment programs in the pilot program created by this act.

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12 SECTION 6. The pilot program expires June 30, 2012.
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