

1 INTERIM STUDY PROPOSAL 2017-026

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

As Engrossed: H3/14/17

A Bill

HOUSE BILL 1822

5
6 By: Representative Lundstrum
7 By: Senator Hester

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

10 **For An Act To Be Entitled**

11 AN ACT TO AMEND THE ANNUAL FRANCHISE TAX; AND FOR
12 OTHER PURPOSES.

13
14
15 **Subtitle**

16 TO AMEND THE ANNUAL FRANCHISE TAX.

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

20
21 *SECTION 1. Arkansas Code § 26-54-104 is amended to read as follows:*
22 *26-54-104. Annual franchise tax.*

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

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

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

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

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

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

6 (4)(A) Each mortgage loan corporation shall pay an amount
7 equivalent to ~~three tenths of one percent (0.3%)~~ one-tenth of one percent
8 (0.1%) of that proportion of the par value of its outstanding capital stock
9 that its aggregate outstanding loans made in Arkansas bears to the total
10 aggregate outstanding loans made in all states.

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

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

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

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

24 (7) Each corporation actually and actively in the process of
25 liquidation ~~and which~~ that does not rent or lease its property but ~~which~~ that
26 retains its corporate charter or authority for the sole purpose of winding up
27 its affairs shall pay an annual tax as provided in subdivision (6) of this
28 section or an amount equivalent to ~~three tenths of one percent (0.3%)~~ one-
29 tenth of one percent (0.1%) of the value of its real and tangible personal
30 property in Arkansas, whichever is smaller, but ~~in no instance shall~~ the tax
31 shall not be less than ~~one hundred fifty dollars (\$150)~~ fifty dollars
32 (\$50.00); and

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

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