

State of Arkansas

77th General Assembly

Regular Session, 1989

A Bill

HOUSE BILL

1663

By: Representative Fairchild

For An Act To Be Entitled

"AN ACT TO PROVIDE INCOME TAX CREDITS TO INDIVIDUALS AND CORPORATIONS WHO MAKE CONTRIBUTIONS TO PUBLIC OR PRIVATE COLLEGES OR UNIVERSITIES WITHIN THE STATE OF ARKANSAS OR TO THE INDEPENDENT COLLEGE FUND OF ARKANSAS; AND FOR OTHER PURPOSES."

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

SECTION 1. (a) Beginning with income year 1988 and thereafter there shall be allowed as a credit against the tax imposed by Act 118 of 1929, as amended, and Act 129 of 1941, as amended, an amount as determined under paragraph (b) of this Section, for contributions made during that income year by the taxpayer to any public college or university or their respective foundations located within the state, or private college or university located within this State or to the Independent College Fund of Arkansas. Contributions made to such institutions shall be eligible for the tax credit provided for herein only if such funds are used exclusively for academic purposes and no part thereof is used for funding athletic activities of the institution. Any taxpayer claiming this tax credit shall not be allowed to deduct the amount of the credit as a contribution in determining net income.

(b) A taxpayer making a contribution under this Act shall be entitled to a credit equal to thirty-three and one-third percent (33-1/3%) of the aggregate amount of charitable contributions made by such taxpayer during the income year subject to the following limitations:

(1) In the case of a taxpayer other than a corporation, the amount allowable as a credit under this Section shall not exceed one thousand dollars (\$1,000.00) in the case of a single return or two thousand dollars (\$2,000.00) in the case of a joint return.

(2) In the case of a corporation, the amount allowable as a credit under this section for any income year shall not exceed (i) ten percent (10%) of such corporation's total adjusted gross income or (ii) ten thousand dollars (\$10,000.00), whichever is less.

(c) If a taxpayer is entitled to a tax credit for his contributions under any other tax law of this State, the taxpayer shall not be entitled to the tax benefits provided by this Act.

SECTION 2. Any institution receiving funds through credits pursuant to this Act shall be subject to annual audits by Legislative Audit, as well as the purchasing and personnel laws and procedures of the State of Arkansas.

SECTION 3. All provisions of this Act of a general and permanent nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code Revision Commission shall incorporate the same in the Code.

SECTION 4. All laws and parts of laws in conflict with this Act are hereby repealed.

SECTION 5. It is hereby found and determined by the Seventy-Seventh General Assembly that the State of Arkansas is in serious danger of losing revenues which are necessary to provide the essential services required by the citizens of this State, and the provisions of this Act are necessary to avoid a substantial reduction in State revenues. Therefore, an emergency is hereby declared to exist and this Act being necessary for the preservation of the public peace, health and safety shall be in full force and effect from and after its passage and approval.

