

State of Arkansas

77th General Assembly

Regular Session, 1989

H.R.

1019

By: Representative Turner

HOUSE RESOLUTION

"URGING THE CONGRESS OF THE UNITED STATES TO EXTEND THE TAX
EXEMPT STATUS OF SMALL ISSUE INDUSTRIAL DEVELOPMENT BONDS
BEYOND THE DECEMBER 31, 1989 SUNSET DATE."

WHEREAS, Small Issue Industrial Development Bonds are vital to the State of Arkansas' economic development efforts to create and retain jobs and to promote growth in the economy;

WHEREAS, Since 1984 Arkansas has issued \$811,630,000 in tax-exempt industrial development bonds to create jobs, to assist businesses and smaller industries, and to contribute significantly to the tax base of counties throughout the state;

WHEREAS, Small Issue Industrial Development Bonds provide needed capital at rates and terms vital to small and medium size businesses in their efforts to modernize and expand manufacturing facilities;

WHEREAS, Small Issue Industrial Development Bonds are now only available to smaller manufacturers, a sector which accounted for eighty-seven percent (87%) of manufacturing job growth from 1976 to 1982 and for a disproportionately high level of product innovations;

WHEREAS, recent tax law provisions have also reduced the market incentives available to support the purchase of these issues, thereby increasing the need for state and local efforts to "match" the tax-exemption with market support programs, such as guarantees or other credit enhancement measures, and other programs;

WHEREAS, this federal, state and local partnership is advancing important national priorities by facilitating capital formation for the smaller manufacturing sector through Small Issue Industrial Development Bonds.

NOW THEREFORE,

BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE SEVENTY-SEVENTH GENERAL

ASSEMBLY OF THE STATE OF ARKANSAS:

THAT the Congress of the United States be urged to extend the tax exempt status of Small Issue Industrial Development Bonds beyond the current sunset date of December 31, 1989; and

BE IT FURTHER RESOLVED that the House of Representatives of the State of Arkansas is continuing its efforts to ensure that Small Issue Industrial Development Bonds are used effectively and are supported by other state and local programs and efforts to achieve these same objectives.