

1 **State of Arkansas**
2 **78th General Assembly**
3 **Regular Session, 1991**
4 **By: Representative Fairchild**

A Bill

HOUSE BILL

For An Act To Be Entitled

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

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

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16 SECTION 1. (a) Beginning with income year 1991 and thereafter there
17 shall be allowed as a credit against the tax imposed by Title 26, Chapter 51,
18 Arkansas Code Annotated, the "Income Tax Act of 1929" an amount as determined
19 under paragraph (b) of this section, for contributions made during that income
20 year by the taxpayer to any public college or university or their respective
21 foundations located within the state, or private college or university located
22 within this state or to the Independent College Fund of Arkansas.
23 Contributions made to such institutions shall be eligible for the tax credit
24 provided for herein only if such funds are used exclusively for academic
25 purposes and no part thereof is used for funding athletic activities of the
26 institution. Any taxpayer claiming this tax credit shall not be allowed to
27 deduct the amount of the credit as a contribution in determining net income.

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

32 (1) In the case of a taxpayer other than a corporation, the
33 amount allowable as a credit under this section shall not exceed five hundred
34 dollars (\$500) in the case of a single return or one thousand dollars (\$1,000)
35 in the case of a joint return.

1 (2) In the case of a corporation, the amount allowable as a
2 credit under this section for any income year shall not exceed (i) ten percent
3 (10%) of such corporation's total adjusted gross income or (ii) five thousand
4 dollars (\$5,000), whichever is less.

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

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9 SECTION 2. All provisions of this act of a general and permanent nature
10 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
11 Revision Commission shall incorporate the same in the Code.

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13 SECTION 3. If any provision of this act or the application thereof to
14 any person or circumstance is held invalid, such invalidity shall not affect
15 other provisions or applications of the act which can be given effect without
16 the invalid provision or application, and to this end the provisions of this
17 act are declared to be severable.

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19 SECTION 4. All laws and parts of laws in conflict with this act are
20 hereby repealed.

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