

1 State of Arkansas
2 80th General Assembly
3 Regular Session, 1995
4 By: Senator Mahony
5 *By: Representative Courtway*

A Bill

SENATE BILL 401

For An Act To Be Entitled

9 "AN ACT TO ADOPT SECTIONS 68, 162, 163, 167, 168, 179,
10 170, 213, 274, 72, 219, 401-404, 406-416 INCLUSIVE, 457,
11 469, 108, 1017, 1202, 82, 119, 126, 131, 132, 197, 453,
12 453A AND 453B OF THE INTERNAL REVENUE CODE OF 1986, AS IN
13 EFFECT JANUARY 1, 1995; TO AMEND ARK. CODE ANN. § 26-51-
14 403(b) TO MODIFY THE DEFINITION OF ADJUSTED GROSS
15 INCOME; TO AMEND ARK. CODE ANN. § 26-51-440 TO ADOPT
16 SUBCHAPTER M OF THE INTERNAL REVENUE CODE OF 1986, AS IN
17 EFFECT JANUARY 1, 1995; TO AMEND ARK. CODE ANN. § 26-5-
18 104(c)(1) TO PROVIDE THAT THE ADVISORY COMMITTEE OF THE
19 MULTISTATE TAX COMMISSION WILL MEET AT LEAST YEARLY; TO
20 REPEAL ARK. CODE ANN. § 26-51-301(d); TO AMEND ARK. CODE
21 ANN. §§ 26-18-104(10), 26-51-102(4), 26-52-103(a)(1), 26-
22 53-102(8)(A), 26-51-902(10), 3-7-102, 26-18-510(c), 26-55-
23 202(4), 26-55-601(3), 26-55-901(1), 26-56-102(8), 26-57-
24 203(10), 26-57-402(4), 26-57-1003(1), 26-59-102(3), 26-58-
25 201(3) AND 26-62-102(10) TO CLARIFY THAT PERSON INCLUDES
26 LIMITED LIABILITY COMPANY; TO AMEND ARK. CODE ANN. § 26-
27 51-811(a)(1) TO CLARIFY THAT LIMITED LIABILITY COMPANIES
28 MUST MAKE INFORMATION RETURNS; TO AMEND ARK. CODE ANN. §
29 26-51-812(a) TO CLARIFY THAT LIMITED LIABILITY COMPANIES
30 MUST WITHHOLD TAX AT SOURCE; TO AMEND ARK. CODE ANN. §
31 26-51-902(11) TO CLARIFY THAT TAXPAYER INCLUDES
32 PARTNERSHIPS AND LIMITED LIABILITY COMPANIES; TO AMEND
33 ARK. CODE ANN. § 26-51-810(b) TO CLARIFY THAT TAX
34 PRACTITIONER INCLUDES A LIMITED LIABILITY COMPANY; TO
35 AMEND ARK. CODE ANN. § 26-57-413(b) TO CLARIFY THAT

1 LICENSEE INCLUDES LIMITED LIABILITY COMPANIES; TO AMEND
2 ARK. CODE ANN. § 26-57-419(d) TO CLARIFY THAT APPLICANTS
3 FOR LICENSES TO SELL COIN-OPERATED AMUSEMENT DEVICES
4 INCLUDE PARTNERSHIPS AND LIMITED LIABILITY COMPANIES; TO
5 AMEND ARK. CODE ANN. §§ 26-57-501, 26-57-503(a), 26-57-
6 504, AND 26-57-505 TO CLARIFY THAT PARTNERSHIPS AND
7 LIMITED LIABILITY COMPANIES ARE SUBJECT TO TRAVEL BUREAU
8 OR SERVICES STATE PRIVILEGE TAX PROVISIONS; AND FOR OTHER
9 PURPOSES."

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Subtitle

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"AN ACT TO AMEND VARIOUS SECTIONS OF THE
ARKANSAS CODE PERTAINING TO INCOME TAX
AND TO CLARIFY THAT PERSON INCLUDES A
LIMITED LIABILITY COMPANY."

17

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

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SECTION 1. Arkansas Code 26-51-436 is amended to read as follows:

21

"26-51-436. Deductions - Limitations.

22

Notwithstanding any other provision of this act with regard to deductions
allowed in computing net income:

24

(1) Section 465 of the federal Internal Revenue Code of 1986, in
effect on January 1, 1987, is adopted to limit deductions claimed under this
act to the amount the taxpayer has at risk, as that term is used in the
federal income tax law;

28

(2) Section 469 of the federal Internal Revenue Code of 1986, as in
effect on January 1, 1995, regarding the limitations on deductibility of
passive activity losses and credits, is hereby adopted for the purpose of
computing Arkansas income tax liability;

32

(3) Subsections (a), (b), (c), and (d) of § 280F of the federal
Internal Revenue Code of 1986, as in effect on January 1, 1991, regarding
investment tax credit and depreciation for luxury automobiles, is hereby
adopted for purposes of computing Arkansas income tax liability;

35

1 (4) Section 68 of the federal Internal Revenue Code of 1986, as in
2 effect on January 1, 1995, is adopted to limit itemized deductions."

3

4 SECTION 2. Arkansas Code 26-51-423(a) and (b) are amended to read as
5 follows:

6 "(a) In computing net income, there shall be allowed as deductions the
7 following expenses:

8 (1) *Business Expenses.* All of Section 162, except subsection
9 (n) of the federal Internal Revenue Code of 1986, as in effect on January 1,
10 1995, regarding trade or business expenses, is hereby adopted for the purpose
11 of computing Arkansas income tax liability.

12 (2) *Medical and Dental Expenses.* Section 213 of the federal
13 Internal Revenue Code of 1986, in effect on January 1, 1995, is adopted in
14 computing the medical and dental expense deduction under the state income tax
15 law.

16 (3) *Travel Expenses.* In determining travel expenses deductible
17 as a business expense in computing net income as provided under subdivision
18 (1) of this subsection, the deduction for vehicle miles shall be determined
19 by the Director of the Department of Finance and Administration under his
20 regulatory authority in § 26-18-301.

21 (4) *Moving Expenses.* Section 217 of the federal Internal Revenue
22 Code of 1986, as in effect on January 1, 1995, regarding the deduction of
23 moving expenses, is hereby adopted for purposes of computing Arkansas income
24 tax liability.

25 (b) Section 274 of the federal Internal Revenue Code of 1986, as in
26 effect on January 1, 1995, regarding the deductions of expenses for
27 entertainment, amusement, recreation, business meals, travel, etc., is hereby
28 adopted for the purpose of computing Arkansas income tax liability *only for*
29 *taxable years beginning during calendar years 1995 and 1996.*"

30

31 SECTION 3. Arkansas Code 26-51-415 is amended to read as follows:

32 "26-51-415. Deductions - Interest.

33 Section 163 of the federal Internal Revenue Code of 1986, as in effect on
34 January 1, 1995, regarding the deductions for interest expenses, is hereby
35 adopted for the purpose of computing Arkansas income tax liability."

1

2 SECTION 4. Arkansas Code 26-51-428 is amended to read as follows:

3 "26-51-428. Depreciation - Deductions - Expensing of property.

4 (a) Sections 167, 168, and 179 of the federal Internal Revenue Code of
5 1986, as in effect on January 1, 1995, regarding depreciation and expensing
6 of property, are hereby adopted for the purpose of computing Arkansas income
7 tax liability.

8 (b) The basis on which exhaustion, wear and tear, and obsolescence are
9 to be allowed in respect to any property shall be the adjusted basis provided
10 in § 26-51-411 for the purpose of determining the gain on the sale or other
11 disposition of the property.

12 (c) Section 197 of the Internal Revenue Code of 1986, as in effect on
13 January 1, 1995, regarding the amortization of goodwill and certain other
14 intangibles, is adopted for the purpose of computing Arkansas income tax
15 liability."

16

17 SECTION 5. Arkansas Code 26-51-419 is amended to read as follows:

18 "26-51-419. Deductions - Charitable Contributions.

19 Section 170 of the federal Internal Revenue Code of 1986, as in effect on
20 January 1, 1995, regarding deductions for charitable contributions, is hereby
21 adopted for the purpose of computing Arkansas income tax liability. This
22 adoption is for taxable years beginning on or after January 1, 1995, and will
23 have no effect on years prior to its adoption."

24

25 SECTION 6. Arkansas Code 26-51-414 is amended to read as follows:

26 "26-51-414. Deferred compensation plans.

27 Sections 72, 219, 401-404, and 406-416 inclusive, and § 457 of the federal
28 Internal Revenue Code of 1986, as in effect on January 1, 1995, relating to
29 annuities, retirement savings, and employee benefit plans, respectively, are
30 hereby adopted for the purpose of computing Arkansas income tax liability,
31 except Arkansas capital gains treatment, and the Arkansas tax rates shall
32 apply. The requirements for filing a joint return under § 219(c)(1)(A) of
33 the Internal Revenue Code of 1986 shall not apply. Any additional tax or
34 penalty imposed by this section shall be ten percent (10%) of the amount of
35 any additional tax or penalty provided in the federal income tax law adopted

1 by this section."

2

3 SECTION 7. Arkansas Code 26-51-403(b) is amended to read as follows:

4 "(b) Adjusted Gross Income means, in the case of an individual,
5 gross income minus the following deductions:

6 (1) Trade and business deductions, otherwise allowable as
7 deductions under § 26-51-101 et seq., which are attributable to a trade or
8 business carried on by the taxpayer, if such trade or business does not
9 consist of the performance of services by the taxpayer as an employee;

10 (2) Trade and business deductions of employees, otherwise
11 allowable as deductions under § 26-51-101 et seq.:

12 Reimbursed Expenses. The deductions which consist of expenses
13 paid or incurred by the taxpayer, in connection with the performance by him
14 of services as an employee, under a reimbursement or other expense allowance
15 arrangement with his employer;

16 (3) Losses from the sale or exchange of property;

17 (4) Deductions attributable to property held for the production
18 of rents and royalties;

19 (5) Certain deductions of life tenants and income beneficiaries
20 of property. In the case of life tenants of property, or an income
21 beneficiary of property held in trust, or an heir, legatee, or devisee of an
22 estate, the deduction for depreciation allowed by Internal Revenue Code
23 Section 167, as provided in § 26-51-428, and the deduction allowed by
24 Internal Revenue Code Section 611, as provided in § 26-51-429;

25 (6) Deductions for certain portions of lump-sum distributions
26 from pension plans taxed under Internal Revenue Code Section 402(e), as set
27 forth in § 26-51-414;

28 (7) Deductions for moving expenses, as set forth in § 26-51-
29 423(a)(4);

30 (8) Deductions for alimony payments;

31 (9) Deductions for separate maintenance payments;

32 (10) Deductions for interest forfeited to a bank, savings
33 association, etc., on premature withdrawals from time savings accounts or
34 deposits;

35 (11) Deductions allowed for cash payments to individual

1 retirement accounts and deductions allowed for cash payments to retirement
2 savings plans of certain married individuals to cover a nonworking spouse;

3 (12) Deductions for contributions by self-employed persons to
4 pension, profit-sharing, and annuity plans;

5 (13) The border city exemption as provided by § 26-52-602; and

6 (14) Deductions for the health insurance costs of self-employed
7 persons as computed in accordance with § 26-51-423(c)."

8

9 SECTION 8. Arkansas Code 26-51-404(b)(11) is amended to read as
10 follows:

11 "(11) Sections 108 and 1017 of the Internal Revenue Code of 1986, as in
12 effect on January 1, 1995, regarding income from discharge of indebtedness,
13 are adopted for the purpose of computing Arkansas income tax liability;"

14

15 SECTION 9. Arkansas Code 26-51-815 is amended by adding a new
16 subsection (c) to read as follows:

17 "(c) Section 1202 of the Internal Revenue Code of 1986, as in effect on
18 January 1, 1995, regarding the exclusion from gain of certain small business
19 stock, is adopted for the purpose of computing Arkansas income tax
20 liability."

21

22 SECTION 10. Arkansas Code 26-51-404(b) is amended by adding new
23 subdivisions to read as follows:

24 "(16) Section 82 of the Internal Revenue Code of 1986, as in effect on
25 January 1, 1995, regarding the inclusion in gross income of moving expense
26 reimbursements, is adopted for the purpose of computing Arkansas income tax
27 liability.

28 (17) Section 119 of the Internal Revenue Code of 1986, as in effect on
29 January 1, 1995, regarding the exclusion from gross income of meals or
30 lodging furnished for the convenience of the employer, is adopted for the
31 purpose of computing Arkansas income tax liability.

32 (18) Section 126 of the Internal Revenue Code of 1986, as in effect on
33 January 1, 1995, regarding the exclusion from gross income of certain cost-
34 sharing payments, is adopted for the purpose of computing Arkansas income tax
35 liability.

1 (19) Section 131 of the Internal Revenue Code of 1986, as in effect on
2 January 1, 1995, regarding the exclusion from gross income of amounts
3 received by a foster care provider as qualified foster care payments, is
4 adopted for the purpose of computing Arkansas income tax liability.

5 (20) Section 132 of the Internal Revenue Code of 1986, as in effect on
6 January 1, 1995, regarding the exclusion from income of certain fringe
7 benefits, is adopted for the purpose of computing Arkansas income tax
8 liability."

9

10 SECTION 11. Arkansas Code 26-51-404(a)(2) is amended to read as
11 follows:

12 "(2) The amount of all such items shall be included in the gross
13 income of the taxable year in which received by the taxpayer. "

14

15 SECTION 12. Arkansas Code 26-51-411 is amended by adding a new
16 subsection (e) to read as follows:

17 "(e) Sections 453, 453A and 453B of the federal Internal Revenue Code
18 of 1986, as in effect on January 1, 1995, is adopted concerning the
19 installment method of accounting."

20

21 SECTION 13. Arkansas Code 26-51-440 is amended to read as follows:

22 "26-51-440. Federal Subchapter M adopted.

23 (a) Subchapter M of the Internal Revenue Code of 1986, as in effect
24 January 1, 1995, is adopted as state income tax law and shall govern all
25 corporations which are registered as investment companies under the
26 Investment Company Act of 1940, as in effect January 1, 1995.

27 (b) Any election made for federal income tax purposes under
28 Subchapter M of the Internal Revenue Code of 1986, as in effect January 1,
29 1995, shall be deemed made for state income tax purposes.

30 (c) This section shall take effect and be enforced for tax years
31 beginning on or after January 1, 1995."

32

33 SECTION 14. Arkansas Code 26-5-104(c)(1) is amended to read as
34 follows:

35 "(1) The committee shall meet on the call of its chairman or at the

1 request of a majority of its members but, in any event, it shall meet not
2 less than one (1)timeeach year."

3

4 SECTION 15. Arkansas Code 26-51-301(d) is repealed.

5

6 SECTION 16. Arkansas Code 26-18-104(10) is amended to read as follows:

7 "(10) Person means an individual, trust, estate, fiduciary, firm,
8 partnership, limited liability company or corporation and shall include the
9 directors, officers, agents, and employees of any person, beneficiaries,
10 members, managers, partners, and any county or municipal subdivision of the
11 state;"

12

13 SECTION 17. Arkansas Code 26-51-102(4) is amended to read as follows:

14 "(4) Person includes individuals, fiduciaries, partnerships, limited
15 liability companies and corporations;"

16

17 SECTION 18. Arkansas Code 26-51-811(a)(1) is amended to read as
18 follows:

19 "(1) Every individual, partnership, limited liability company,
20 corporation, joint-stock company or association, or insurance company, being
21 a resident or having a place of business in this state; members of a
22 partnership or employees in whatever capacity acting, including lessees or
23 mortgagees, of real or personal property; members or managers of limited
24 liability companies or employees in whatever capacity acting; fiduciaries;
25 employers and all officers and employees of this state or of any political
26 subdivision of this state, having the control, receipt, custody, disposal or
27 payment of interest, rent, salaries, wages, premiums, annuities,
28 compensations, remunerations, emoluments, or other fixed or determinable
29 annual or periodical gains, profits, and income amounting to two thousand
30 five hundred dollars (\$2,500) or over, paid or payable during any year to any
31 taxpayer shall make complete returns under oath to the Director of the
32 Department of Finance and Administration, under such regulations and in such
33 form and manner and to such extent as may be prescribed by the director with
34 the approval of the Governor."

35

1 SECTION 19. Arkansas Code 26-51-812(a) is amended to read as follows:

2 "(a) The Director of the Department of Finance and Administration
3 whenever he deems it necessary to insure compliance with the provisions of
4 this act may, under rules and regulations prescribed by him, require any
5 individual, partnership, limited liability company, corporation, joint-stock
6 company, or association, including lessees or mortgagors and employees of the
7 state or of any political subdivision of the state having control, receipt,
8 custody, disposal, or payment of interest other than interest coupons payable
9 to bearer, rent, salaries, wages, premiums, compensation, remunerations,
10 emoluments, or other fixed or determinable annual or periodical gains,
11 profits, and income paid or payable to any taxpayer, to deduct and withhold
12 the tax due from the taxpayer and make return thereof and pay the tax to the
13 director."

14

15 SECTION 20. Arkansas Code 26-51-902(10) and (11) are amended to read
16 as follows:

17 "(10) Person means individuals, fiduciaries, corporations,
18 partnerships, limited liability companies, associations, the state and its
19 political subdivisions, and the federal government and its agencies and
20 instrumentalities;

21 (11) Taxpayer means any individual, fiduciary, corporation,
22 partnership, limited liability company or other legal entity subject to the
23 reporting requirements of the Arkansas Income Tax Act, § 26-51-101 et seq.;"

24

25 SECTION 21. Arkansas Code 26-52-103(a)(1) is amended to read as
26 follows:

27 "(1) Person includes any individual, company, partnership, limited
28 liability company, joint venture, and joint agreement, association which is
29 mutual or otherwise, corporation, estate, trust, business trust, receiver, or
30 trustee appointed by any state or federal court or otherwise, syndicate, this
31 state, any county, city, municipality, school district, or any other
32 political subdivision of the state or group or combination acting as a unit;"

33

34 SECTION 22. Arkansas Code 26-53-102(8)(A) is amended to read as
35 follows:

1 "(A) Person includes any individual, company, partnership, limited
2 liability company, joint venture, and joint agreement, association, mutual or
3 otherwise, corporation, estate, trust, business trust, receiver or trustee
4 appointed by any state or federal court or otherwise, syndicate, this state,
5 any county, city, municipality, school district or any other political
6 subdivision of the state, or group or combination acting as a unit."

7

8 SECTION 23. Arkansas Code 3-7-102 is amended to read as follows:

9 "3-7-102. Definition. As used in §§ 3-7-101--3-7-104 and 3-7-106--3-
10 7-110, unless the context otherwise requires, person means every
11 corporation, association, copartnership, limited liability company or
12 individual."

13

14 SECTION 24. Arkansas Code 26-18-501(c) is amended to read as follows:

15 "(c) The term person as used in this section includes an officer,
16 director or employee of a corporation, a partner or employee of a partnership,
17 a member, manager or employee of a limited liability company, who as an
18 officer, director, employee, partner, member or manager is under a duty to
19 perform the act in respect to which the violation occurs."

20

21 SECTION 25. Arkansas Code 26-51-810(b) is amended to read as follows:

22 "(b) A tax practitioner is any person, partnership, limited liability
23 company or corporation who compiles a tax return for hire."

24

25 SECTION 26. Arkansas Code 26-55-202(4) is amended to read as follows:

26 "(4) Person includes any individual, company, partnership, limited
27 liability company, joint venture, joint agreement, mutual or other
28 association, corporation, estate, trust, business trust, receiver, or trustee
29 appointed by any state, federal, or other court, syndicate, this state, any
30 county, city, municipality, school district, or any other political
31 subdivision of this state or group or combination acting as a unit, in the
32 plural or singular number;"

33

34 SECTION 27. Arkansas Code 26-55-601(3) is amended to read as follows:

35 "(3) Person shall include any operator, individual, owner, company,

1 partnership, limited liability company, joint venture, joint agreement,
2 association, whether mutual or otherwise, corporation, estate, trust,
3 business trust, receiver, trustee, leasing company, common carrier, private
4 carrier, or transporter;"

5

6 SECTION 28. Arkansas Code 26-55-901(1) is amended to read as follows:

7 "(1) Person means individuals, partnerships, limited liability
8 companies, corporations, companies, societies, and associations;"

9

10 SECTION 29. Arkansas Code 26-56-102(8) is amended to read as follows:

11 "(8) Person means every natural person, fiduciary, partnership,
12 limited liability company, firm, association, corporation, business trust
13 combination acting as a unit, any receiver appointed by any state or federal
14 court, or any municipality, county, or any subdivision, department, agency,
15 board, commission, or other instrumentality of this state except the Arkansas
16 State Highway and Transportation Department;"

17

18 SECTION 30. Arkansas Code 26-57-203(10) is amended to read as follows:

19 "(10) Person means any individual, retailer, wholesaler,
20 manufacturer, firm, association, company, partnership, limited liability
21 company, corporation, joint-stock company, club, agency, syndicate, the State
22 of Arkansas, county, municipal corporation or other political subdivision of
23 this state, receiver, trustee, fiduciary, or trade association;"

24

25 SECTION 31. Arkansas Code 26-57-402(4) is amended to read as follows:

26 "(4) Person means and includes any individual, firm, association,
27 company, partnership, limited liability company, corporation, joint-stock
28 company, club, agency, syndicate, the State of Arkansas, county, municipal
29 corporation or other political subdivision of this state, receiver, trustee,
30 fiduciary or trade association."

31

32 SECTION 32. Arkansas Code 26-57-413(b) is amended to read as follows:

33 "(b) Any person, partnership, limited liability company, or
34 corporation who is a licensee under this subchapter shall be notified in
35 writing that the revocation or suspension of its license is being considered

1 and the reason therefor."

2

3 SECTION 33. Arkansas Code 26-57-419(d) is amended to read as follows:

4 "(d) Any person, firm, partnership, limited liability company, or
5 corporation who applies for a license to sell coin-operated amusement devices
6 as provided in this section shall, prior to the issuance of such license, be
7 required to procure a suitable surety bond in the principal sum of one
8 thousand dollars (\$1,000) to insure compliance with the provisions of this
9 subchapter and to provide indemnity to any person who deals with the
10 applicant in the event of the violation of this subchapter."

11

12 SECTION 34. Arkansas Code 26-57-501 is amended to read as follows:

13 "26-57-501. Penalties.

14 Any person, firm, partnership, limited liability company or corporation
15 failing to comply with the provisions of this subchapter shall be guilty of a
16 misdemeanor and upon conviction shall be fined in a sum not less than one
17 hundred dollars (\$100) nor more than one thousand dollars (\$1,000)."

18

19 SECTION 35. Arkansas Code 26-57-503(a) is amended to read as follows:

20 "(a) Any person, firm, partnership, limited liability company or
21 corporation in this state who shall enter into or conduct such a business as
22 is described in 26-57-502 shall, immediately upon engaging or commencing the
23 business, notify the Director of the Department of Finance and Administration
24 by letter of that fact, setting forth the date of commencement and stating
25 his intention to abide by all the provisions of this subchapter."

26

27 SECTION 36. Arkansas Code 26-57-504 is amended to read as follows:

28 "26-57-504. License fee.

29 Any person, firm, partnership, limited liability company or corporation
30 now engaged or who becomes engaged in a business as set forth in this
31 subchapter is taxed a license of two hundred dollars (\$200) per year."

32

33 SECTION 37. Arkansas Code 26-57-505 is amended to read as follows:

34 "26-57-505. Bond.

35 A person, firm, partnership, limited liability company or corporation

1 shall also make a bond to the State of Arkansas in the sum of one thousand
2 dollars (\$1,000) for the faithful performance under this subchapter."

3

4 SECTION 38. Arkansas Code 26-57-1003(1) is amended to read as follows:

5 "(1) Person means any individual, partnership, limited liability
6 company, association, or corporation;"

7

8 SECTION 39. Arkansas Code 26-58-201(3) is amended to read as follows:

9 "(3) Person means any individual, firm, association, partnership,
10 limited liability company or corporation;"

11

12 SECTION 40. Arkansas Code 26-59-102(3) is amended to read as follows:

13 "(3) Person means individuals, natural persons, corporations,
14 associations, partnerships, limited liability companies, joint-stock
15 companies, business trusts, and inter vivos trusts;"

16

17 SECTION 41. Arkansas Code 26-62-102(10) is amended to read as follows:

18 "(10) Person means every natural person, fiduciary, partnership,
19 limited liability company, firm, association, corporation, business trust
20 combination acting as a unit, any receiver appointed by any state or federal
21 court, or any municipality, county, or any subdivision, department, agency,
22 board, commission, or other instrumentality of this state;"

23

24 SECTION 42. *Sections 1, 2(a), and 3 through 13 of this act are*
25 *applicable for taxable years beginning on or after January 1, 1995.*

26

27 SECTION 43. All provisions of this act of a general and permanent
28 nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas
29 Code Revision Commission shall incorporate the same in the Code.

30

31 SECTION 44. If any provision of this act or the application thereof to
32 any person or circumstance is held invalid, such invalidity shall not affect
33 other provisions or applications of the act which can be given effect without
34 the invalid provision or application, and to this end the provisions of this
35 act are declared to be severable.

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SECTION 45. All laws and parts of laws in conflict with this act are hereby repealed.

SECTION 46. EMERGENCY. It is hereby found and determined by the General Assembly that certain changes are necessary to the Arkansas tax laws; that these changes are necessary immediately in order to maintain the efficient administration of the Arkansas income tax laws; and that this act is necessary to effectuate that purpose. Therefore, an emergency is hereby declared to exist and this act being necessary for the immediate preservation of the public peace, health and safety shall be in full force and effect from and after its passage and approval.

/s/Mahony