

1 State of Arkansas
2 80th General Assembly
3 Regular Session, 1995
4 By: Senator Gordon

A Bill

SENATE BILL 575

For An Act To Be Entitled

8 "AN ACT TO AMEND ARKANSAS CODE 15-4-1224 PERTAINING TO THE
9 INCOME TAX CREDIT ALLOWED UNDER THE COUNTY AND REGIONAL
10 INDUSTRIAL DEVELOPMENT CORPORATION ACT; AND FOR OTHER
11 PURPOSES."

Subtitle

14 "AN ACT TO AMEND ARKANSAS CODE 15-4-1224
15 PERTAINING TO THE INCOME TAX CREDIT
16 ALLOWED UNDER THE COUNTY AND REGIONAL
17 INDUSTRIAL DEVELOPMENT CORPORATION ACT."

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

21 SECTION 1. Arkansas Code 15-4-1224(a) is amended to read as follows:

22 "(a) The original purchaser of common stock of a corporation shall be
23 entitled to a credit against any Arkansas income tax liability which may be
24 imposed on such purchaser for any tax year commencing on or after January 1,
25 1991, for common stock purchased from the corporation and retained during any
26 of the calendar years 1996, 1997, 1998, and 1999 to coincide with State
27 Capitol Corporation. The credit shall be determined in the following manner:

28 (1) The credit is limited to an amount not to exceed
29 thirty-three percent (33%) of the actual purchase price paid for the stock to
30 the corporation, which shall include any fees or commissions to underwriters
31 paid by the corporation. If any shares, once purchased from the corporation,
32 are then sold or otherwise disposed of prior to five (5) years elapsing from
33 the date of purchase, the maximum amount of any credit shall be reduced a pro
34 rata amount;

35 (2) In any one (1) tax year, the credit allowed by this section

1 shall not exceed fifty percent (50%) of the net Arkansas state income tax
2 liability of the taxpayer after all other credits and reductions in tax have
3 been calculated;

4 (3) Any credit in excess of the amount allowed by subdivision
5 (a)(2) of this section for any one (1) tax year may be carried forward and
6 applied against Arkansas state income tax for the next-succeeding tax year
7 and annually thereafter for a total period of three (3) years next succeeding
8 the year in which the credit arose, subject to the provisions of subdivision
9 (a)(2) of this section, or until the credit is exhausted, whichever occurs
10 first. In no event will the credit allowed by this section be allowed for
11 any tax year ending after December 31, 1999;

12 (4) Any original purchaser of common stock who seeks to qualify
13 for the income tax credit provided in this section must:

14 (A) Obtain a certified statement from the corporation
15 issuing the common stock stating:

16 (i) The name and address of the original purchaser;

17 (ii) The number of shares purchased;

18 (iii) The amount paid by the original purchaser for
19 the common stock;

20 (iv) The date of purchase of the common stock; and

21 (v) The number of shares of the original purchase
22 still owned by the original purchaser; and

23 (B) Attach a copy of the certificate described in
24 subdivision (a)(4)(A) of this section to the income tax return for the years
25 the credit is claimed."

26

27 SECTION 2. 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 3. 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.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35

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

/s/Gordon

1

2