

Stricken language would be deleted from present law. Underlined language would be added to present law.

1 State of Arkansas  
2 81st General Assembly  
3 Regular Session, 1997

# A Bill

HOUSE BILL 1878

4  
5 By: Representatives Schexnayder, Angel, Northcutt, French, Brown, Stalnaker, Pappas, Horn, Ferguson, Young, Wagner, Shoffner,  
6 Wood, Johnson, Cunningham, Pollan, Wilkins, Harris, Dawson, Jones, Jeffress, McKissack, J. Smith and Roberts  
7 By: Senators Edwards and Smith

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## For An Act To Be Entitled

11 "AN ACT TO PROVIDE AN INCOME TAX CREDIT TO TAXPAYERS THAT  
12 UTILIZE PUBLIC PORT FACILITIES; AND FOR OTHER PURPOSES."

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### Subtitle

15 "TO PROVIDE AN INCOME TAX CREDIT TO  
16 TAXPAYERS THAT UTILIZE PUBLIC PORT  
17 FACILITIES; AND FOR OTHER PURPOSES."

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

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21 SECTION 1. (a) An income taxpayer utilizing the port facilities at any  
22 public port created pursuant to Arkansas Code §§ 14-185-101 et seq., 14-186-  
23 101 et seq., or 14-16-111 et seq. for the export of cargo that is loaded on a  
24 carrier calling at such port, shall be allowed a credit against the taxes  
25 imposed pursuant to the Arkansas Income Tax Act, Arkansas Code § 26-51-101 et  
26 seq., in the amounts provided in this section.

27 (b) The amount of the credit allowed pursuant to this section shall be  
28 the total of the following charges on export cargo paid by the taxpayer:

- 29 (1) Receiving into the port;  
30 (2) Handling to a vessel; and  
31 (3) Wharfage.

32 (c) The credit provided for in this section shall not exceed fifty  
33 percent (50%) of the amount of income tax imposed upon the taxpayer for the  
34 taxable year reduced by the sum of all other credits allowable to such  
35 taxpayers, except credits for tax payments made by or on behalf of the  
36 taxpayer. Any unused portion of the credit may be carried forward for the

1 succeeding five (5) years. The maximum cumulative credit that may be claimed  
2 by a taxpayer pursuant to this act is one million dollars (\$1,000,000).

3 (d) To obtain the credit provided for in this section, a taxpayer must  
4 provide to the Department of Finance and Administration a statement from the  
5 governing authority of the port stating the amount of charges paid by the  
6 taxpayer for which a credit is claimed and any other information required by  
7 the Department of Finance and Administration.

8 (e) For purposes of this act:

9 (1) "Receiving" means the charge for providing the service of  
10 receiving a container, break-bulk or unitized cargo from inland carrier  
11 (truck, rail or barge) for feeding to an outbound vessel on port property.

12 (2) "Handling" means a terminal charge for providing the service  
13 of physically moving containers, break-bulk or unitized cargo between point of  
14 rest (warehouse or open storage area), to a point next to the vessel. This  
15 does not include moving the cargo into the vessels hold. The charge is also  
16 associated with staging the cargo within a warehouse or open storage area to  
17 prepare it for loading onto the vessel.

18 (3) "Wharfage" means a charge against cargo, based on the number  
19 of export tons received for outbound vessels, as manifested, and passing or  
20 conveyed over, onto, or under wharves or between vessels (to barge), when  
21 berthed at wharf or when moored adjacent to wharf. Wharfage is solely the  
22 charge for use of wharf and does not include charges for any other service.

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24 SECTION 2. The Arkansas Department of Finance and Administration shall  
25 report annually to the Legislature regarding the impact of the credit granted  
26 in Section 1 of this act on shipping and economic growth. Each report shall  
27 show the overall annual increase on shipping at each port for the most recent  
28 year for which data is available and for each of the previous five (5) years.  
29 Each report shall estimate the number of jobs created or retained at such  
30 port and in businesses related to port activity at each port since January 1,  
31 1998, as compared to the number of similar jobs created during the ten (10)  
32 years preceding January 1, 1998. Each report shall state the net economic  
33 impact on the state as a result of the tax credit provided for in Section 1 of  
34 this act. The Arkansas Department of Finance and Administration shall file a  
35 copy of the report with the Governor, the Secretary of the Senate, the Clerk  
36 of the House of Representatives and the Chairmen of the House and Senate

1 Revenue and Taxation Committees of the Legislature on May 1, of each year.  
2 All public ports shall cooperate with the Arkansas Department of Finance and  
3 Administration in providing the information required in the annual reports.  
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5 SECTION 3. The provisions of this act shall be effective for taxable  
6 years beginning on or after January 1, 1998 and this act shall expire on  
7 January 1, 2002.  
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9 SECTION 4. 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 5. 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 6. All laws and parts of laws in conflict with this act are  
20 hereby repealed.  
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