

Stricken language would be deleted from and underlined language would be added to law as it existed prior to the 82nd General Assembly.

1 State of Arkansas
2 82nd General Assembly
3 Regular Session, 1999

A Bill

HOUSE BILL 2146

4
5 By: Representatives Files, Carson
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For An Act To Be Entitled

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9 "AN ACT TO AMEND ARKANSAS CODE 15-4-1704 (b) TO ALLOW
10 A REGIONAL MEDICAL CENTER OR HOSPITAL TO QUALIFY FOR
11 REFUND OF SALES AND USE TAX UNDER THE ARKANSAS
12 ENTERPRISE ZONE ACT OF 1993; AND FOR OTHER PURPOSES."

Subtitle

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15 "AN ACT TO ALLOW A REGIONAL MEDICAL
16 CENTER OR HOSPITAL TO QUALIFY FOR REFUND
17 OF SALES AND USE TAX UNDER THE ARKANSAS
18 ENTERPRISE ZONE ACT OF 1993."
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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23 SECTION 1. Arkansas Code 15-4-1704 (b), concerning refund of sales and
24 use tax under the Arkansas Enterprise Zone Act of 1993, is amended to read as
25 follows:

26 "(b)(1) A sales and use tax refund as provided for in subsection (a) of
27 this section shall be authorized, provided that:

28 (A) The qualified business is an industry whose operations
29 fit into Standard Industrial Classification numbers 20-39, 7375, 7376, 4231,
30 8011, 8031, 8062, 8093, 8099 8731, 5051, continuously and throughout the
31 project term, or a regional medical center or a hospital, or a distribution
32 center, corporate headquarters, regional headquarters, office sector business,
33 trucking sector business, or a research, development, testing business, as
34 defined in § 15-4-1702, and located within Arkansas;

35 (B) The firm and its contractors give preference and
36 priority to Arkansas manufacturers, suppliers, contractors, and labor, except

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1 where it is not reasonably possible to do so without added expense,
 2 substantial inconvenience, or sacrifice in operational efficiency;

3 (C) The firm files an endorsement resolution with the
 4 commission and the Department of Finance and Administration. The endorsement
 5 resolution must be approved by the governing body of a municipality or county
 6 in whose jurisdiction the facility is located and must:

7 (i) Approve the specific entity's participation in
 8 the program; and

9 (ii) Specifically state whether the municipality or
 10 county authorizes the Department of Finance and Administration to refund local
 11 sales and use taxes to the entity under the program. A municipality or county
 12 can authorize the refund of all or part of a tax levied by it, but cannot
 13 authorize the refund of any tax not levied by it.

14 (2) In the event it is found that any business receiving the
 15 benefits contained in subsection (a) of this section has failed to comply with
 16 the conditions contained in this subsection, that business will be liable for
 17 the payment of all sales and use taxes which were refunded under subsection
 18 (a) of this section.

19 (3)(A) The term 'distribution center' shall mean a facility for
 20 the reception, storage, or shipping of a business' own products or products
 21 which the business wholesales to retail businesses or ships to its own retail
 22 outlets.

23 (B) For a distribution center to qualify for the benefits
 24 provided in this section, it must meet the following requirements:

25 (i) The distribution center must not make retail
 26 sales to the general public; and

27 (ii) The distribution center must employ twenty-five
 28 (25) or more new permanent employees.

29 (4) If the business does not continuously and throughout the
 30 project term meet the requirements of subdivisions (b)(1)-(8) of this section,
 31 then that business will automatically be disqualified from receiving any
 32 benefits under this section and will be required to repay any tax benefits
 33 already received under this subchapter plus penalty and interest as allowed by
 34 law.

35 (5) For an office sector business to qualify for the benefits of
 36 this section, it must employ fifty (50) or more new permanent employees and

1 must not make retail sales to the general public.

2 (6) For a corporate headquarters to qualify for the benefits of
3 this section, it must employ fifty (50) or more new permanent employees and
4 must not make retail sales to the general public.

5 (7) For a trucking sector business to qualify for the benefits of
6 this section, it must employ one hundred (100) or more new permanent employees
7 and must not make retail sales to the general public.

8 (8)(A) The requisite number of new permanent employees must be
9 employed by the industry, distribution center, corporate headquarters, office
10 sector business, trucking sector business, regional headquarters, or steel
11 service center within twenty-four (24) months of the date the endorsement
12 resolution was adopted or passed by the governing body approving the business'
13 participation in the program.

14 (B) In the event that the requisite number of new permanent
15 employees cannot be employed within the twenty-four-month period, the business
16 can file a written application with the ~~commission~~ commission explaining why
17 additional time is necessary. The business can be afforded up to twenty-four
18 (24) more months to hire the requisite number of employees if the director and
19 the Chief Fiscal Officer of the State determine that the need for additional
20 time is due to:

21 (i) Unanticipated and unavoidable delay in the
22 construction of a facility that must be completed before the employees can be
23 hired; or

24 (ii) The project as originally planned will require
25 more than twenty-four (24) months to complete; or

26 (iii) A change in the business ownership or business
27 structure due to a merger or ~~acquisition~~ acquisition.

28 (9) For a regional headquarters to qualify for the benefits of
29 this section it must employ fifty (50) or more new permanent employees and
30 must not make retail sales to the general public.

31 (10) For a steel service center to qualify for the benefits of
32 this section it must employ fifty (50) or more new permanent employees and
33 must not make retail sales to the general public.

34 (11) For a regional medical center or a hospital to qualify for
35 the benefits of this section, it must employ fifty (50) or more new permanent
36 employees. "

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

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

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