

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 85th General Assembly
3 Regular Session, 2005

A Bill

HOUSE BILL 2726

4
5 By: Representative D. Evans
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For An Act To Be Entitled

8
9 AN ACT TO PROVIDE THAT CHARITABLE CONTRIBUTIONS
10 TO THE ECONOMIC DEVELOPMENT FOUNDATION ARE
11 DEDUCTIBLE FROM ARKANSAS INCOME TAX WITHOUT ANY
12 LIMITATION ON THE AMOUNT OF CONTRIBUTION OR
13 DEDUCTION; AND FOR OTHER PURPOSES.
14

Subtitle

15
16 TO PROVIDE THAT CHARITABLE CONTRIBUTIONS
17 TO THE ECONOMIC DEVELOPMENT FOUNDATION
18 ARE DEDUCTIBLE FROM ARKANSAS INCOME TAX
19 WITHOUT ANY LIMITATION ON THE AMOUNT OF
20 CONTRIBUTION OR DEDUCTION.
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23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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25 SECTION 1. Arkansas Code § 26-51-419, as amended by Act 53 of 2005, is
26 amended to read as follows:

27 26-51-419. Deductions – Charitable contributions.

28 (a) Section 170 of the Internal Revenue Code of 1986, as in effect on
29 January 1, 2001, regarding deductions for charitable contributions, is hereby
30 adopted for the purpose of computing Arkansas income tax liability. This
31 adoption is for taxable years beginning on or after January 1, 2001, and will
32 have no effect on years prior to its adoption. Provided, however, with
33 respect to contributions of qualified appreciated stock within the meaning of
34 Internal Revenue Code § 170(e)(5) made after May 31, 1997, the provisions of
35 this section shall apply after taking into account the extension of the
36 provisions of Internal Revenue Code § 170(e)(5) by § 602 of the Taxpayer



1 Relief Act of 1997 and § 1004(a) of the Tax Extension Act.

2 (b) The provisions of subsection (a) of this section shall apply to a
3 corporation that files an Arkansas consolidated corporation income tax return
4 pursuant to § 26-51-805, provided that each member of the affiliated group
5 shall follow the provisions of § 26-51-805(f) and calculate its contribution
6 limits separately.

7 (c) For purposes of subsection (a) of this section, a cash
8 contribution made in January 2005 for the relief of victims in areas affected
9 by the December 26, 2004 Indian Ocean tsunami, for which a charitable
10 contribution deduction is allowed under § 170 of the Internal Revenue Code of
11 1986, may be treated as if the contribution was made on December 31, 2004,
12 and not in January 2005.

13 (d) For tax years beginning on and after tax January 1, 2005,
14 charitable contributions to the Arkansas Economic Development Foundation
15 shall be deductible from Arkansas income tax without any limitation on the
16 amount of the contribution that may be made to the foundation or the amount
17 of contribution that may be deducted.

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