

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas  
90th General Assembly  
Regular Session, 2015

# A Bill

HOUSE BILL 1132

By: Representative M. Hodges  
By: Senators Burnett, K. Ingram

## For An Act To Be Entitled

AN ACT TO MODIFY THE ALLOCATION OF RECYCLING TAX CREDITS AMONG OWNERS IF AN ARKANSAS PUBLIC RETIREMENT SYSTEM IS AN OWNER; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

## Subtitle

TO MODIFY THE ALLOCATION OF RECYCLING TAX CREDIT AMONG OWNERS IF AN ARKANSAS PUBLIC RETIREMENT SYSTEM IS AN OWNER; AND TO DECLARE AN EMERGENCY.

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

SECTION 1. Arkansas Code § 26-51-506(h)(1), concerning the allocation of recycling tax credits, is amended to read as follows:

(h)(1) In the case of a proprietorship, ~~or~~ partnership, limited liability company, or other business organization treated as a proprietorship or partnership for tax purposes engaged in the business of waste reduction, reuse, or recycling of solid waste, the amount of the credit determined under this section for any taxable year shall be apportioned to each proprietor, ~~or~~ partner, member, or other owner in proportion to the amount of income from the entity which the proprietor, ~~or~~ partner, or other owner is required to include as gross income or as otherwise provided for in the applicable ownership or operating agreements if a proprietor, partner, member, or other owner of the organization is a public retirement system of the State of Arkansas.



(2) In the case of a Subchapter S corporation, as allowed by § 26-51-409, the amount of the credit determined under this section for any taxable year shall be apportioned among the persons who are shareholders of the corporation on the last day of the taxable year based on each person's percentage of ownership or as otherwise provided for in the applicable articles of incorporation or bylaws if at least one of the shareholders is a public retirement system of the State of Arkansas.

SECTION 2. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that certain provisions of the tax credit allocations for waste reduction, reuse, or recycling equipment should be modified to encourage Arkansas public retirement systems to invest in Arkansas-based recycling projects by allowing the tax credits to be allocated in a way that would benefit the investment made by an Arkansas public retirement system. Without this change, certain investments may not be made and could affect the investment returns of the Arkansas public retirement systems and discourage economic development in Arkansas. Therefore, an emergency is declared to exist and this act being necessary for the preservation of the public peace, health, and safety shall become effective on:

(1) The date of its approval by the Governor;

(2) If the bill is neither approved nor vetoed by the Governor, the expiration of the period of time during which the Governor may veto the bill; or

(3) If the bill is vetoed by the Governor and the veto is overridden, the date the last house overrides the veto.