

State of Arkansas  
90th General Assembly  
Regular Session, 2015

# A Bill

HOUSE BILL 1187

By: Representative Leding

## For An Act To Be Entitled

AN ACT TO PROVIDE A TAX CREDIT AGAINST INCOME TAX FOR  
BUSINESSES WHO EMPLOY RECENTLY RETURNED COMBAT  
VETERANS; AND FOR OTHER PURPOSES.

### Subtitle

TO PROVIDE A TAX CREDIT AGAINST INCOME  
TAX FOR BUSINESSES WHO EMPLOY RECENTLY  
RETURNED COMBAT VETERANS.

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

SECTION 1. Arkansas Code Title 26, Chapter 51, Subchapter 5, is amended to add an additional section to read as follows:

26-51-515. Qualified business – Employment of recently returned combat veteran – Tax credit.

(a) As used in this section:

(1) "Active duty" means full-time duty in the active military service of any branch of the United States Armed Forces or the National Guard and reserve components of the armed services;

(2) "Qualified small business" means a business that:

(A) Is independently owned and operated;

(B) Is for profit;

(C) Is not dominant in its field; and

(D) Meets the requirements of the Small Business Administration Small Business Size Standards, 13 C.F.R. § 121.201, as the regulations existed on January 26, 2015; and

(3) "Recently returned combat veteran" means a veteran who has



served on active duty in a combat zone on and after January 1, 2001.

(b) There is allowed a credit against the income tax imposed by the Income Tax Act of 1929, § 26-51-101 et seq., of one thousand five hundred dollars (\$1,500) for each recently returned combat veteran who is hired by a qualified small business.

(c) The income tax credit created by subsection (b) of this section:

(1) Shall first be available in the taxable year following the hire of the recently returned combat veteran by the qualified small business;

(2) Shall be available for two (2) consecutive tax years following the taxable year in which the recently returned combat veteran was hired by the qualified small business.

(3) Shall not exceed:

(A) Three thousand dollars (\$3,000) within the two consecutive tax years following the taxable year in which the recently returned combat veteran was hired by the qualified small business; and

(B) The amount of income tax due by the taxpayer in a taxable year; and

(4) May be carried forward for a tax year that falls within two (2) years following the taxable year in which the recently returned combat veteran was hired by the qualified small business.

(d) The administration of this section shall be under the provisions of the Arkansas Tax Procedure Act, § 26-18-101 et seq.

(e) The Director of the Department of Finance and Administration shall promulgate rules to implement this section.

SECTION 2. EFFECTIVE DATE. This act is effective for tax years beginning on and after January 1, 2016.