

State of Arkansas  
91st General Assembly  
Regular Session, 2017

# A Bill

HOUSE BILL 1395

By: Representatives Leding, E. Armstrong, Blake, K. Ferguson, V. Flowers, M.J. Gray, M. Hodges,  
Johnson, Murdock, Sabin, D. Whitaker

By: Senators D. Wallace, S. Flowers

## For An Act To Be Entitled

AN ACT TO CREATE AN INCOME TAX CREDIT FOR CERTAIN  
TAXPAYERS THAT EMPLOY A RECENTLY RETURNED VETERAN;  
AND FOR OTHER PURPOSES.

## Subtitle

TO CREATE AN INCOME TAX CREDIT FOR  
TAXPAYERS THAT EMPLOY A RECENTLY RETURNED  
VETERAN.

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. Employment of recently returned veteran.

(a) As used in this section:

(1) "Active duty" means full-time duty in the active military service of any of the following:

(A) A branch of the United States Armed Forces;

(B) The National Guard of any state; or

(C) A reserve component of the United States Armed Forces;

(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 July 1, 2016; and

(3) "Recently returned veteran" means a veteran who has served on active duty on or after January 1, 2001.

(b) There is allowed a credit against the income tax imposed by this chapter on the income of a taxpayer that is a qualified small business in the amount of one thousand five hundred dollars (\$1,500) for each recently returned veteran who is:

(1) Hired by the taxpayer; and

(2) Employed by the taxpayer:

(A) For at least eight (8) months during the tax year for which the income tax credit allowed under this section is claimed; and

(B) At the time the income tax credit allowed under this section is claimed.

(c) The income tax credit created under subsection (b) of this section is available for a maximum of two (2) consecutive tax years for each recently returned combat veteran hired.

(d) The amount of the income tax credit under this section that may be claimed by the taxpayer in a tax year shall not exceed the amount of income tax due by the taxpayer.

SECTION 2. EFFECTIVE DATE. This act is effective for tax years beginning on or after January 1, 2018.