

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

State of Arkansas
91st General Assembly
Regular Session, 2017

As Engrossed: H3/14/17

A Bill

HOUSE BILL 1822

By: Representative Lundstrum

By: Senator Hester

For An Act To Be Entitled

AN ACT TO AMEND THE ANNUAL FRANCHISE TAX; AND FOR
OTHER PURPOSES.

Subtitle

TO AMEND THE ANNUAL FRANCHISE TAX.

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

*SECTION 1. Arkansas Code § 26-54-104 is amended to read as follows:
26-54-104. Annual franchise tax.*

*Unless exempted under § 26-54-105, every corporation shall file an
annual franchise tax report and pay an annual franchise tax as follows:*

*(1)(A) Each life, fire, accident, surety, liability, steam
boiler, tornado, health, or other kind of insurance company of whatever
nature, having an outstanding capital stock of less than five hundred
thousand dollars (\$500,000) shall pay ~~three hundred dollars (\$300)~~ one
hundred dollars (\$100).*

*(B) Each company having an outstanding capital stock of
five hundred thousand dollars (\$500,000) or more shall pay ~~four hundred
dollars (\$400)~~ one hundred thirty-five dollars (\$135);*

*(2)(A) Each legal reserve mutual insurance corporation having
assets of less than one hundred million dollars (\$100,000,000) shall pay
~~three hundred dollars (\$300)~~ one hundred dollars (\$100).*

*(B) Each corporation having assets of one hundred million
dollars (\$100,000,000) or more shall pay ~~four hundred dollars (\$400)~~ one
hundred thirty-five dollars (\$135);*



(3) Each mutual assessment insurance corporation shall pay ~~three hundred dollars (\$300)~~ one hundred dollars (\$100);

(4)(A) Each mortgage loan corporation shall pay an amount equivalent to ~~three-tenths of one percent (0.3%)~~ one-tenth of one percent (0.1%) of that proportion of the par value of its outstanding capital stock that its aggregate outstanding loans made in Arkansas bears to the total aggregate outstanding loans made in all states.

(B) No corporation shall pay an annual tax of less than ~~three hundred dollars (\$300)~~ one hundred dollars (\$100);

(5) Each corporation, other than those in subdivisions (2)-(4) of this section, without authorized capital stock shall pay ~~three hundred dollars (\$300)~~ one hundred dollars (\$100);

(6)(A) Each corporation, other than those in subdivisions (1)-(5) of this section, shall pay an amount equivalent to ~~three-tenths of one percent (0.3%)~~ one-tenth of one percent (0.1%) of that proportion of the par value of its outstanding capital stock that the value of its real and personal property in Arkansas bears to the total value of the real and personal property of the corporation.

(B) No corporation shall pay an annual tax of less than ~~one hundred fifty dollars (\$150)~~ fifty dollars (\$50.00);

(7) Each corporation actually and actively in the process of liquidation ~~and which that~~ that does not rent or lease its property but ~~which that~~ that retains its corporate charter or authority for the sole purpose of winding up its affairs shall pay an annual tax as provided in subdivision (6) of this section or an amount equivalent to ~~three-tenths of one percent (0.3%)~~ one-tenth of one percent (0.1%) of the value of its real and tangible personal property in Arkansas, whichever is smaller, but ~~in no instance shall~~ shall not be less than ~~one hundred fifty dollars (\$150)~~ fifty dollars (\$50.00); and

(8) An organization formed ~~pursuant to~~ under the Small Business Entity Tax Pass Through Act, § 4-32-101 et seq., shall pay the minimum franchise tax.

SECTION 2. EFFECTIVE DATE. This act is effective for tax years beginning on and after January 1, 2017.

/s/Lundstrum