

State of Arkansas
92nd General Assembly
Regular Session, 2019

A Bill

HOUSE BILL 1532

By: Representative Pilkington

For An Act To Be Entitled

AN ACT TO CREATE AN INCOME TAX EXEMPTION FOR CERTAIN
NEW BUSINESSES LOCATING IN THE STATE; AND FOR OTHER
PURPOSES.

Subtitle

TO CREATE AN INCOME TAX EXEMPTION FOR
CERTAIN NEW BUSINESSES LOCATING IN THE
STATE.

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

SECTION 1. Arkansas Code Title 26, Chapter 51, Subchapter 3, is amended to add an additional section to read as follows:

26-51-316. New corporate headquarters.

(a) As used in this section, "corporate headquarters" means the facility or portion of a facility where corporate staff employees are physically employed and where the majority of the business's financial, personnel, legal, planning, information technology, and other executive functions are handled.

(b) There is allowed an exemption from the income tax imposed by this chapter for the entire net income of a business that:

(1) Locates or relocates the corporate headquarters of the business in this state on or after the effective date of this act;

(2) Locates or relocates the corporate headquarters in a county in this state that has a population of less than forty thousand (40,000);

(3) Did not have a location in this state at any time in the six (6) years preceding the year in which the business located in or relocated to



this state;

(4) Has fewer than one hundred (100) employees in this state;

and

(5) Remains at the new location in this state for at least six

(6) years.

(c) The income tax exemption allowed under this section may be claimed by a taxpayer for up to three (3) years.

(d) If a taxpayer that has claimed the exemption allowed under this section relocates its corporate headquarters to another county in the state or to another state within six (6) years of becoming eligible for the income tax exemption allowed under this section, the taxpayer shall pay the income tax that would have been due under this chapter for each year for which the taxpayer claimed an income tax exemption under this section.

SECTION 2. EFFECTIVE DATE. Section 1 of this act is effective for tax years beginning on and after January 1, 2019.