

1 State of Arkansas  
2 92nd General Assembly  
3 Regular Session, 2019  
4

# A Bill

HOUSE BILL 1532

5 By: Representative Pilkington  
6

## For An Act To Be Entitled

8 AN ACT TO CREATE AN INCOME TAX EXEMPTION FOR CERTAIN  
9 NEW BUSINESSES LOCATING IN THE STATE; AND FOR OTHER  
10 PURPOSES.  
11

## Subtitle

12  
13 TO CREATE AN INCOME TAX EXEMPTION FOR  
14 CERTAIN NEW BUSINESSES LOCATING IN THE  
15 STATE.  
16

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18  
19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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21 SECTION 1. Arkansas Code Title 26, Chapter 51, Subchapter 3, is  
22 amended to add an additional section to read as follows:

23 26-51-316. New corporate headquarters.

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

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

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

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

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



1 this state;

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

3 and

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

5 (6) years.

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

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

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