

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

1 State of Arkansas As Engrossed: H4/5/21 H4/7/21 H4/19/21

2 93rd General Assembly

# A Bill

3 Regular Session, 2021

HOUSE BILL 1719

4

5 By: Representatives Lundstrum, Beck, Bentley, Boyd, Bryant, Coleman, C. Cooper, Hawks, M. Hodges, J.

6 Mayberry, McClure, Pilkington, Richardson, Richmond, Rye, Scott

7 By: Senators B. Davis, T. Garner, Hill, D. Wallace

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## For An Act To Be Entitled

10 AN ACT TO CREATE THE REBOOT PILOT PROGRAM; TO DEFINE  
11 "QUALIFYING FORMER OFFENDER"; TO CREATE AN INCOME TAX  
12 CREDIT FOR BUSINESSES THAT HIRE A QUALIFYING FORMER  
13 OFFENDER; AND FOR OTHER PURPOSES.

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## Subtitle

17 TO CREATE THE REBOOT PILOT PROGRAM; AND  
18 TO CREATE AN INCOME TAX CREDIT FOR  
19 BUSINESSES THAT HIRE CERTAIN FORMER  
20 OFFENDERS.

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

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25 SECTION 1. DO NOT CODIFY. Legislative findings.

26 The General Assembly finds that:

27 (1) According to the Department of Corrections:

28 (A) Recidivism is defined as a parole violation resulting  
29 in an additional sentence, a technical violation of the terms of early  
30 release, or a new sentence resulting in incarceration subsequent to a  
31 discharge. Recidivism rates are calculated using the nationwide correctional  
32 standard timeframes of six-, twelve-, and thirty-six month follow-up periods;  
33 and

34 (B) Nearly fifty-two percent (52%) of Arkansas state  
35 prisoners who were released in 2012 were rearrested within three (3) years  
36 upon release;



1 (2) According to the Bureau of Justice Statistics, sixty-eight  
2 percent (68%) of state prisoners across thirty (30) states who were released  
3 in 2005 were rearrested within three (3) years of being discharged and  
4 eighty-three percent (83%) were rearrested within nine (9) years of release;

5 (3) The recidivism rate in the United States and Arkansas is  
6 staggeringly high and raises questions about how our correctional system can  
7 be improved;

8 (4) Many people recently released from incarceration receive  
9 minimal preparation for release, receiving little assistance and few  
10 resources, all of which makes it difficult for those recently released from  
11 incarceration to acclimate to society; and

12 (5) Research suggests that former inmates are likely to leave  
13 prison with a mentality of living paycheck-to-paycheck, having no savings or  
14 bank account, and few job prospects.

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16 SECTION 2. Arkansas Code Title 26, Chapter 51, Subchapter 5, is  
17 amended to add an additional section to read as follows:

18 26-51-515. Reboot Pilot Program.

19 (a) This section shall be known and may be cited as "The Reboot Pilot  
20 Program".

21 (b)(1) As used in this section, "qualifying former offender" means an  
22 individual who was:

23 (A) Convicted of a state or federal felony offense;

24 (B) Incarcerated for a felony offense; and

25 (C) Released from his or her first term of incarcerated  
26 for a felony offense within twelve (12) months before the date on which he or  
27 she was hired as an employee.

28 (2) "Qualifying former offender" includes individuals who have  
29 been incarcerated for a violation of their conditions of supervision.

30 (c)(1) There is allowed an income tax credit against the income tax  
31 imposed by this chapter in the amount determined under subsection (d) of this  
32 section for each qualifying former offender employed by the taxpayer for at  
33 least forty (40) hours per week at pay that is at or above the state minimum  
34 wage.

35 (2) If the amount of the income tax credit allowed under this  
36 section exceeds the taxpayer's income tax liability, the excess shall be

1 refunded to the taxpayer.

2 (d) The tax credit provided for under subsection (c) of this section  
3 shall be calculated as follows:

4 (1) A credit of three thousand dollars (\$3,000) is allowed a  
5 taxpayer in any tax period when a qualified former offender completes twelve  
6 (12) consecutive months of employment with the taxpayer;

7 (2) A credit of two thousand dollars (\$2,000) is allowed a  
8 taxpayer in any tax period when a qualified former offender completes twenty-  
9 four (24) consecutive months of employment with the taxpayer

10 (3) A credit of one thousand dollars (\$1,000) is allowed a  
11 taxpayer in any tax period when a qualified former offender completes thirty-  
12 six (36) consecutive months of employment with the taxpayer.

13 (e) To be eligible for the tax credit stated in subsection (d) of this  
14 section:

15 (1) The taxpayer shall:

16 (A) Register with the Division of Workforce Services as a  
17 participant in the program;

18 (B) At the end of twenty-four (24) months of the  
19 qualifying former offender's consecutive employment, enroll the qualifying  
20 former offender in the health insurance plan offered by the taxpayer if the  
21 taxpayer offers a health insurance plan to other employees; and

22 (C) Ensure that each qualifying former offender is  
23 randomly drug tested; and

24 (D) Certify to the Department of Finance and  
25 Administration the total amount of hours worked by and wages paid to each  
26 qualifying former offender employed by the taxpayer in the taxable year for  
27 which the taxpayer claims the income tax credit provided in this section; and

28 (2) The qualifying former offender shall:

29 (A) Register with the division as a participant in the  
30 program;

31 (B) During the first twenty-four (24) months of  
32 consecutive employment with the taxpayer, enroll in the health insurance  
33 program offered through the Arkansas Works Program, or its successor program,  
34 if the qualifying former offender is otherwise eligible; and

35 (C) Agree to be randomly drug tested.

36 (f)(1) The ~~division~~ Department of Finance and Administration may

1 promulgate rules to carry out the provisions of this section.

2 (2) If the Department of Finance and Administration promulgates  
3 rules under subdivision (f)(1) of this section, the Department of Finance and  
4 Administration shall consult with the Division of Workforce Services, the  
5 Department of Human Services, and the Department of Corrections on the  
6 content of the rules.

7 (g) The Division of Workforce Services shall not allow more than one  
8 thousand (1,000) former inmates to be registered under subsection (e) of this  
9 section at any given time.

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11 SECTION 3. DO NOT CODIFY. Rules.

12 (a) When adopting the initial rules required under this act, the  
13 division shall file the final rules with the Secretary of State for adoption  
14 under § 25-15-204(f):

15 (1) On or before January 1, 2022; or

16 (2) If approval under § 10-3-309 has not occurred by January 1,  
17 2022, as soon as practicable after approval under § 10-3-309.

18 (b) The division shall file the proposed rules with the Legislative  
19 Council under § 10-3-309(c) sufficiently in advance of January 1, 2022, so  
20 that the Legislative Council may consider the rules for approval before  
21 January 1, 2022.

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23 SECTION 4. EFFECTIVE DATE. Section 2 of this act is effective for tax  
24 years beginning on or after January 1, 2022.

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26 /s/Lundstrum  
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