

1 State of Arkansas
2 93rd General Assembly
3 Fiscal Session, 2022

SR 18

4
5 By: Senator B. Davis
6

7 **SENATE RESOLUTION**

8 TO AUTHORIZE THE INTRODUCTION OF A NONAPPROPRIATION
9 BILL TO CREATE THE REBOOT PILOT PROGRAM, DEFINE
10 "QUALIFYING FORMER OFFENDER", AND CREATE AN INCOME
11 TAX CREDIT FOR BUSINESSES THAT HIRE A QUALIFYING
12 FORMER OFFENDER.
13

14
15 **Subtitle**

16 TO AUTHORIZE THE INTRODUCTION OF A
17 NONAPPROPRIATION BILL TO CREATE THE
18 REBOOT PILOT PROGRAM, DEFINE "QUALIFYING
19 FORMER OFFENDER", AND CREATE AN INCOME
20 TAX CREDIT FOR BUSINESSES THAT HIRE A
21 QUALIFYING FORMER OFFENDER.
22

23
24 BE IT RESOLVED BY THE SENATE OF THE NINETY-THIRD GENERAL ASSEMBLY OF THE
25 STATE OF ARKANSAS:
26

27 THAT Representative Lundstrum is authorized to introduce a bill which
28 as introduced will read substantially as follows:
29

30 "Title

31 AN ACT TO CREATE THE REBOOT PILOT PROGRAM; TO DEFINE "QUALIFYING FORMER
32 OFFENDER"; TO CREATE AN INCOME TAX CREDIT FOR BUSINESSES THAT HIRE A
33 QUALIFYING FORMER OFFENDER; AND FOR OTHER PURPOSES.
34

35 Subtitle

36 TO CREATE THE REBOOT PILOT PROGRAM; AND TO CREATE AN INCOME TAX CREDIT FOR



1 BUSINESSES THAT HIRE CERTAIN FORMER OFFENDERS.

2
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

4
5 SECTION 1. DO NOT CODIFY. Legislative findings.

6 The General Assembly finds that:

7 (1) According to the Department of Corrections:

8 (A) "Recidivism" is defined as a parole violation
9 resulting in an additional sentence, a technical violation of the terms of
10 early release, or a new sentence resulting in incarceration subsequent to a
11 discharge. Recidivism rates are calculated using the nationwide correctional
12 standard timeframes of six-, twelve-, and thirty-six month follow-up periods;
13 and

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

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

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

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

28 (5) Research suggests that former inmates are likely to leave
29 prison with a mentality of living paycheck-to-paycheck, have no savings or
30 bank account, and have few job prospects.

31
32 SECTION 2. Arkansas Code Title 26, Chapter 51, Subchapter 5, is
33 amended to add an additional section to read as follows:

34 26-51-517. Reboot Pilot Program – Definition.

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

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

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

4 (B) Incarcerated for the felony offense; and

5 (C) Released from his or her first term of incarceration
6 for the felony offense within twelve (12) months before the date on which he
7 or she was hired as an employee.

8 (2) "Qualifying former offender" includes an individual who has
9 been incarcerated for a violation of the conditions of his or her
10 supervision.

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

16 (2) If the amount of the income tax credit allowed under this
17 section exceeds the taxpayer's income tax liability, the excess shall be
18 refunded to the taxpayer.

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

21 (1) A credit of three thousand dollars (\$3,000) is allowed a
22 taxpayer in any tax year when a qualifying former offender completes twelve
23 (12) consecutive months of employment with the taxpayer;

24 (2) A credit of two thousand dollars (\$2,000) is allowed a
25 taxpayer in any tax year when a qualifying former offender completes twenty-
26 four (24) consecutive months of employment with the taxpayer; and

27 (3) A credit of one thousand dollars (\$1,000) is allowed a
28 taxpayer in any tax year when a qualifying former offender completes thirty-
29 six (36) consecutive months of employment with the taxpayer.

30 (e) To be eligible for the tax credit stated in this section:

31 (1) The taxpayer shall:

32 (A) Register with the Division of Workforce Services as a
33 participant in The Reboot Pilot Program;

34 (B) At the end of twenty-four (24) months of the
35 qualifying former offender's consecutive employment, enroll the qualifying
36 former offender in the health insurance plan offered by the taxpayer if the

1 taxpayer offers a health insurance plan to other employees;

2 (C) Ensure that each qualifying former offender is
3 randomly drug tested; and

4 (D) Certify to the Department of Finance and
5 Administration the total amount of hours worked by and wages paid to each
6 qualifying former offender employed by the taxpayer in the taxable year for
7 which the taxpayer claims the income tax credit provided under this section;
8 and

9 (2) The qualifying former offender shall:

10 (A) Register with the division as a participant in The
11 Reboot Pilot Program;

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

16 (C) Agree to be randomly drug tested.

17 (f)(1) The Department of Finance and Administration may promulgate
18 rules to carry out the provisions of this section.

19 (2) If the Department of Finance and Administration promulgates
20 rules under subdivision (f)(1) of this section, the Department of Finance and
21 Administration shall consult with the Division of Workforce Services, the
22 Department of Human Services, and the Department of Corrections on the
23 content of the rules.

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

27
28 SECTION 3. DO NOT CODIFY. Rules.

29 (a) When adopting the initial rules required under this act, the
30 Department of Finance and Administration shall file the final rules with the
31 Secretary of State for adoption under § 25-15-204(f):

32 (1) On or before January 1, 2023; or

33 (2) If approval under § 10-3-309 has not occurred by January 1,
34 2023, as soon as practicable after approval under § 10-3-309.

35 (b) The Department of Finance and Administration shall file the
36 proposed rules with the Legislative Council under § 10-3-309(c) sufficiently

1 in advance of January 1, 2023, so that the Legislative Council may consider
2 the rules for approval before January 1, 2023.

3
4 SECTION 4. EFFECTIVE DATE. Section 2 of this act is effective for tax
5 years beginning on or after January 1, 2023."