



## Daily Legislative Update

91st General Assembly

Wednesday, January 25, 2017 – Day 17

### TODAY AT THE CAPITOL

The Senate will convene at 1 p.m. and the House will convene at 1:30 p.m.

To view schedules for all of today's activities, committee agendas, bills and other information related to the Session, visit [www.arkleg.state.ar.us](http://www.arkleg.state.ar.us).

### IMPORTANT BILLS

#### GOVERNOR'S RETIRED MILITARY TAX REDUCTIONS

As anticipated, the same 21-page amendment was filed yesterday to **SB 120** by **Sen. Jane English, R-North Little Rock, and Rep. Charlene Fite, R-Van Buren**, that was added to **HB 1162** by **Rep. Charlene Fite, R-Van Buren** on Monday. **SB 120** is not expected to come up today in the Senate Tax Committee, but **HB 1162** could be considered on Thursday in the House Tax Committee.

We support this plan to cut the income taxes paid by retired military. They have served our country well and deserve honor and respect.

This tax cut is estimated to cost the state \$13 million. The original plan was to replace the lost revenue by removing the exclusion from income on unemployment benefits, which the Governor said would create \$3.1 million in additional revenue. The plan also called for applying the sales tax on the full cost of manufactured housing and candy and soft drinks, which would raise an extra \$2.4 million and \$13.8 million, respectively.

Late last week, plan supporters decided to remove the plan to charge the full sales tax on mobile home sales. The new plan has been very confusing and when things are confusing, concerns arise. A 21-page amendment was put into play this week. It appears to be attempting to impose sales and use taxes on: (A) Digital audio works; (B) Digital audio-visual works; and (C) Digital books. Our tax attorney raised several concerns about the bill. Yesterday morning, we asked companies that could be impacted to study the amendment to **HB 1162**. Our tax attorney met with a senator about his concerns yesterday, as well as additional discussions with other legislators involved in the plan. You can view a copy of **HB 1162** that has the amendment engrossed into the text by clicking [here](#).

If your company has completed an analysis on this amended bill and has a position or data you are willing to share, please let us know.

### **RESTRICTING THE USE OF FOOD STAMPS TO HEALTHY FOODS**

**HB 1035 by Rep. Mary Bentley, R-Perryville, and Sen. Cecile Bledsoe, R-Rogers,** was amended twice after receiving a Do Pass recommendation from the House Public Health, Welfare and Labor Committee and received another Do Pass recommendation yesterday after the Committee considered the amended bill.

If adopted, this bill would add layers of costs for retailers, potentially increase costs to consumers and create government overreach.

**\* \* \* NOTE \* \* \***

**WE JOIN MULTIPLE MEMBERS WHO ARE STRONGLY OPPOSED TO THIS BILL.**

### **RETAIL TAX PREPAYMENT**

**HB 1253 by Rep. Jeff Wardlaw, R-Warren,** seeks to repeal the requirement that retailers with average net monthly sales of more than \$200,000 prepay a portion of their sales tax twice monthly. Upon closer review, the retailers that told us they would be opposed now recognize that they SUPPORT this bill.

### **YESTERDAY AT THE CAPITOL**

**HB 1209 by Rep. Mark Lowery, R-Maumelle, and Sen. Eddie Joe Williams, R-Cabot,** received a Do Pass recommendation from the House Education Committee. It would require the Arkansas Higher Education Coordinating Board to adopt a productivity-based funding model for institutions of higher education and repeal the funding model previously in place. We support this bill.

**HB 1161 by Rep. Warwick Sabin, D-Little Rock, and Sen. Jake Files, R-Fort Smith,** which would create an income tax credit in an amount equal to five percent of what a taxpayer is eligible to receive under the federal Earned Income Tax credit, was defeated on the House floor by a vote of 28 yea and 66 nay.

**HB 1026 by Rep. Doug House, R-North Little Rock, and HB 1058 by Sen. Missy Irvin, R-Mountain View, and Rep. House** were signed by Governor Hutchinson as **Acts 3 and 4 of 2017.** **HB 1026** extends the deadline for promulgating rules to govern medical marijuana and **HB 1058** excludes medical marijuana registry ID card application records and dispensary records from being considered medical records and more.

### **STATE CHAMBER/AIA BILL TRACKING TRACKED BILLS**

The House has filed 274 bills and the Senate has filed 190 bills. We are now tracking 110 bills.

To view a list of all bills added to our tracking today, click [here](#).

Our entire list of tracked bills are posted on our website by category, which you can access by clicking [here](#).

### **LEGISLATIVE SESSION INFORMATION AND MESSAGE CENTER**

To view schedules, calendars, bill information and legislator information,  
visit: [www.arkleg.state.ar.us](http://www.arkleg.state.ar.us).

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