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93rd General Assembly Tuesday, Jan. 26, 2021 – Session Day 16

TODAY AT THE CAPITOL

The House and Senate will convene at 1 p.m.

LEGISLATIVE COMMITTEE MEETINGS

House Education and Health committees and Senate Ag and City/County/Local all met at 9:30 this morning. The Senate Ethics Committee will meet at 11:30 a.m. this morning. After adjournment or at 2 p.m. this afternoon, whichever is later, the House Judiciary, Tax and Transportations committees and the Senate Transportation, Ins. & Comm. and State Agencies committees will meet.

To view the schedule of committee meetings, their agendas and video access, click [here](#).

STATE CHAMBER/AIA PRIORITY BILLS

HB 1209 by Rep. Joe Jett is a State Chamber/AIA Priority Agenda bill. This bill will help about 40,000 Arkansas businesses reduce their federal taxes by an estimated \$50 million or more while generating \$4 million in state revenue. The businesses impacted are those set up as passthrough entities—the owners pay tax at the individual level on their business income. Most businesses are set up this way. Under federal law, businesses can deduct state and local taxes (“SALT”) they have paid without a cap, but the individual SALT deduction is limited to \$10,000 for individuals—this is the “SALT cap.” **HB 1209** would let passthrough businesses choose (elect) to instead pay Arkansas tax at the entity level, as a flat tax at the top rate of 5.9%, such that the Arkansas tax should be 100% deductible for federal purposes. The IRS recently blessed the validity of this approach in Notice 2020-75. Several states have already adopted such options, including Oklahoma and Louisiana, and more are expected to adopt them in the coming year. This bill awaits consideration in the House Revenue and Taxation Committee.

HB 1212 by Rep. Jack Ladyman and Sen. Missy Irvin is another State Chamber/AIA Priority Agenda bill that will help employers by reducing the impact of layoffs due to COVID-19 on their unemployment insurance taxes. The bill allows benefits paid for unemployment to be noncharged to the separate account of each employer in the base period if they are a result of a declared disaster emergency. The impact has a retroactive effective date of April 4, 2020. This awaits consideration in the House Public Health, Welfare and Labor Committee.

BILLS WE OPPOSE

HEALTHCARE

SB 99 by Sen. Cecile Bledsoe and Rep. DeAnn Vaught would require healthcare insurers to base step-therapy protocols on appropriate clinical practice guidelines or published peer-reviewed data developed by independent experts and establishes exceptions from protocols and procedures for requesting them. Amendment 2 was adopted by the Senate yesterday and it awaits consideration in the Senate. Based upon information we've been

given about potential cost increases to health plans, the State Chamber/AIA opposes this bill.

BILLS OF INTEREST

LOCAL BROADBAND

SB 74 by Sen. Ricky Hill and Rep. Brian Evans seeks to extend the definition of a government entity to include consolidated utility districts. It would authorize utility districts to provide, directly or indirectly, voice, data, broadband, video or wireless telecommunications services. Amendment #3 was adopted yesterday in the Senate and it is on this afternoon's Senate Calendar.

STATE CHAMBER/AIA BILL TRACKING

Total Bills Filed: 441 | Bills Filed Yesterday: 55 | House 34 – Senate 21
Bills added to State Chamber/AIA Tracking: 29 | Total Tracked Bills: 160

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

To see all tracked bills saved by category, click [here](#).

LEGISLATIVE SESSION INFORMATION

To view schedules, calendars, bill information and legislator information, click [here](#).

To view the joint statement regarding Capitol access and committee attendance click [here](#).

Legislative Message Center

House of Representatives: 501-682-6211
Senate: 501-682-2902

STATE CHAMBER/AIA INFORMATION

2021 LEGISLATIVE AGENDA

To view the State Chamber/AIA's legislative agenda click [here](#).

BILL SCORING

Floor votes on bills that address issues in our Legislative Agenda and/or are discussed in a Daily Legislative Update are subject to being scored.

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