

State of Arkansas

76th General Assembly

Regular Session, 1987

HOUSE BILL

2002

By: Rep. Barclay and Flanagin

"AN ACT TO AMEND SUBDIVISION (1) OF SUBSECTION (1) OF SECTION 13 OF ACT 118 OF 1929, AS AMENDED [ARK. STAT. 84-2016(1)(1)] TO ALLOW NET OPERATING LOSS TO BE CARRIED OVER FOR A PERIOD OF FIVE YEARS."

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

SECTION 1. Subdivision (1) of subsection (1) of Section 13 of Act 118 of 1929, as amended, the same being Arkansas Statutes 84-2016(1)(1), is hereby amended to read as follows:

"1. (A) The net operating loss as hereinbelow defined for any year ending on or after the passage of this Act and for any succeeding taxable year may be carried over to the next succeeding taxable year and annually thereafter for a total period of three (3) years next succeeding the year of such net operating loss, or until such net operating loss has been exhausted or absorbed by the taxable income of any succeeding year, whichever is earlier. The net operating loss deduction must be carried forward in the order named above.

(B) The net operating loss for any tax year beginning with tax year 1987 may be carried over to the next succeeding tax year and annually thereafter for a total period of five (5) years next succeeding the year of such net operating loss, or until the net operating loss has been exhausted or absorbed by the taxable income of any succeeding year, whichever is earlier. The net operating loss deduction must be carried forward in the order named above.

(C) As used herein the term 'taxable income', or 'net income' shall be deemed to be the net income computed without benefit of the deduction for income taxes, personal exemptions and credit for dependents. The net income of the taxable period to which the net operating loss deduction, as adjusted, is carried, shall be the net income before the deduction of Federal income

taxes, personal exemption and credit for dependents, and such income taxes, exemptions and credits shall not be used to increase the net operating loss which may be carried to any other taxable period."

SECTION 2. All laws and parts of laws in conflict with this Act are hereby repealed.

