

Starting a Business in Pine Bluff and White Hall



Building Blocks for Success

Presented by



Acknowledgements

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Dear Business Owner:

The Economic Development Alliance of Jefferson County and the Economic Research and Development Center of the University of Arkansas at Pine Bluff are pleased to present the “Starting a Business in Pine Bluff and White Hall” resource guide. This publication serves as a guide to help current and prospective business owners to start, grow or relocate within the progressive cities of Pine Bluff and White Hall.

Business promotion and development is an intricate part of the mission of the Economic Development Alliance. As such, the Alliance is committed in its efforts to create a competitive business climate. It supports the business climate through sponsorship of business forums, legislative advocacy and networking opportunities.

Likewise, as an 1890 Land-Grant Institution, the University of Arkansas at Pine Bluff avails its human and capital resources to carry out its dual mission of education and problem solving. Through various outreach programs, UAPB provides in-depth training and technical assistance to business owners, grass roots organizations and community and civic leaders.

As you proceed in your pursuit of starting and operating a business, we recommend that you acquaint yourself with this guide. The guide has been designed to:

Assist in the information-gathering process;

- ◆ Help set-up a well thought out written business plan; and
- ◆ Serve as a valuable resource for most of the steps essential to ensure a successful start or expansion.

Following are a few suggested steps to ensure that you gain the maximum benefits from this guide:

- ◆ Read it once in its entirety.
- ◆ Begin formulating ideas specifically pertaining to your business.
- ◆ Do some outside research and gather as much information as possible from resources available. There are publications, seminars and free one-on-one consultations provided at the University of Arkansas at Pine Bluff’s Economic Research and Development Center (ERDC). These resources can help you get started.
- ◆ As you proceed, get EVERYTHING down on paper and begin writing a well-defined business plan (format furnished on page 12).
- ◆ Consult your accountant, attorney, banker, insurance and real estate agents about your plans.

As you enjoy using the “Starting a Business in Pine Bluff and White Hall” business resource guide, please be aware that we want to keep this information current and appropriate to the business owners of our city. So, your comments, suggestions, and updates of information will be appreciated.

Sincerely,

James V. Crider
President & CEO
Economic Development Alliance of Jefferson County

Dr. Lawrence A. Davis, Jr.
Chancellor
University of Arkansas at Monticello

CITY OF PINE BLUFF

CARL REDUS
MAYOR



200 EAST 8TH STREET - SUITE 201
PINE BLUFF, ARKANSAS 71601

OFFICE OF THE MAYOR

January 7, 2005

Dear Business Leader,

It is extremely important that we cultivate economic development in our cities. Thriving businesses are essential for our city's sustainability and for our continued growth and development. I believe we should take every opportunity to create and encourage an environment that is conducive to starting and expanding businesses.

This publication will make a significant contribution in this direction. I commend the Economic Development Alliance and the University of Arkansas at Pine Bluff for this practical, user friendly and timely publication. Pine Bluff welcomes this initiative and it is our hope that "Starting a Business in Pine Bluff and White Hall" gains general support from the public and ultimately helps to enhance business development.

Please know that as mayor of Pine Bluff, I fully support this publication and if there is anything I can do on behalf of the City of Pine Bluff to assist you, I would be more than happy to do so.

Sincerely,

Carl A. Redus, Jr.
Mayor

City of White Hall

P.O. Box 20100
White Hall, Arkansas 71612-0100
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Alderman Ward 3 Position 1

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Alderman Ward 3 Position 2

January 2005

To Whom It May Concern:

If you are reading this publication, chances are you're thinking about starting a new business in our area.

I'd like to suggest that you take a look at one of Southeast Arkansas' fastest growing cities – White Hall. We've recorded steady growth here since being incorporated in 1964, and this includes growth in population as well as retail and housing development.

I feel sure we have just the location you've been searching for in which to open a new business. We might be what some consider a small town, but everything you need can be found here in our hometown – including a great deal of civic pride.

We'd be pleased to have you join our ever-growing business sector. Give my office a call if you want to get a firsthand look at what White Hall has to offer.

Sincerely,



James "Jitters" Morgan
Mayor, City of White Hall



Office of the County Judge

Barraque at Main Street
Pine Bluff, Arkansas 71601

Phone: (870) 541-5360

FAX: 536-2977

JACK JONES
County Judge

January 19, 2005

To Whom It May Concern:

During my 16 years as Jefferson County Judge, I've witnessed many positive developments in the towns and communities that I serve. This has included new physical facilities such as retail establishments, tourist attractions and professional office buildings. It has included new roads and bridges. It has also included citizens working together to make things happen for the betterment of their community.

New jobs play a key role in keeping our County moving forward. We appreciate your interest in starting a business here - and in creating additional jobs.

If there is anything that Jefferson County Government can do to help you succeed in this endeavor, please don't hesitate to contact my office.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Jack Jones', written in a cursive style.

Jack Jones
County Judge

Table of Contents

Introduction..... 1

University of Arkansas at Pine Bluff..... 2

Southeast Arkansas College – Pine Bluff 4

Resources Available to You..... 5

Before You Start Your Business..... 6

Types of Organizations 7

General Startup 10

Business Plan..... 11

Market Research..... 13

Financing..... 14

Other Sources of Funds..... 15

Choosing a Location 16

Utilities..... 16

Laws and Regulations..... 18

Taxes..... 22

Tax Credits & Incentives 30

Discretionary Incentives 36

County Tier System Map..... 39

Conclusion 40

Important Addresses..... 41

Business Start-up Checklist..... 42

Federal Tax Due Dates 43

State Tax Due Dates 44

Index 45



Introduction

“Land of opportunity” is the former nickname given to the state of Arkansas. Although the state later adopted a new nickname, the land and the opportunity are both still present. They may be found in the state’s mid-south region, in the Jefferson County cities of Pine Bluff and White Hall. A combination of natural beauty and an on-going appreciation of history and economic growth has made the Pine Bluff-White Hall area one of the best places in the nation to live. There is something for everyone, whether it’s strolling through the park, catching a musical at the Arts and Science Center, or exploring area museums, shops, and cafes.

Located on the Arkansas River, Pine Bluff offers nature lovers many opportunities to experience the area’s natural beauty. The city has over 1,000 acres of public parks for recreation, and some of the best bass fishing in the world. It hosts between thirty and thirty-five bass tournaments per year, as well as many national tournaments including Babe Ruth, Little League, softball, and basketball. Pine Bluff-Jefferson County Regional Park is home to Harbor Oaks Golf Club and the multi-million dollar Governor Mike Huckabee Delta Rivers Nature Center.

White Hall offers a twenty-acre city park that is thickly wooded and features playground equipment, walking trails, and picnic areas.

History is everywhere in Pine Bluff. The historical district contains many of the city’s oldest homes while the downtown area boasts its share of turn-of-the-century buildings and murals.

White Hall is a relatively new town. Its incorporation in 1964 is celebrated each August on Founders Day. Though it has only been incorporated for forty years, its museum reveals glimpses of the past of a community that grew up around a stagecoach watering hole of the late 1800s.

Jefferson County is located in one of the best areas for potential industrial and technological growth. It serves as the trade center for the southeast portion of the state. The county is the home to a number of major companies such as Tyson Foods, Central Moloney, and International Paper.

It is also home to the Pine Bluff Arsenal. Established in 1941, the Pine Bluff Arsenal is an integral part of the Pine Bluff-White Hall area. It is the top employer in southeast Arkansas with over 2,600 employees, and is the only active Army installation in the state.

With a population of just over 55,000, Pine Bluff maintains the warm hometown feeling that has kept people in the area for years.

A small town with a large heart, White Hall is growing rapidly as families discover the true meaning of “community.”



Above photographs courtesy of Cates & Company



University of Arkansas at Pine Bluff



UAPB Quad
Photo by Brian T. Williams

Pine Bluff is home to Arkansas' second oldest public educational institution, University of Arkansas at Pine Bluff (UAPB). The University enrolls approximately 6,250 students per year. For well over a century, the University has provided public service to the community as well as business and industry. The campus is a major center of professional education for business leaders in Arkansas and the nation. You are invited to share the benefits of its many resources.

In addition to the brand of services offered to small businesses by the Economic Research and Development Center (ERDC), the university offers many varied resources including those listed below:

- The Division of Graduate Studies and Continuing Education provides quality programs of advanced study and life-long learning opportunities that prepare individuals to be leaders in their business professions and in their various communities.
- School of Agriculture, Fisheries, and Human Science provides problem-specific research and hands-on technical assistance to the state's agricultural and aquaculture enterprises. The Aquaculture and Fisheries Department has the proud distinction of being a nationally recognized Center of Excellence. It is the only comprehensive aquaculture program within the University of Arkansas System serving the state's growing aquaculture industry.
- The School of Business and Management (SBM) is a center for business information of many sorts. In addition to housing the Economic Research and Development Center, the SBM advances its mission of providing undergraduate programs through its student clubs and organizations such as Students in Free Enterprise (SIFE), accounting, marketing and investments clubs. The Dean and faculty are involved in various civic and business organizations including the Service Corp of Retired Executives (SCORE) and the Chamber of Commerce.
- The University's Business Support Incubator nurtures small businesses to independence through technical support and capacity building and may be an appropriate place to start a business. The Incubator, a program of the Economic Research and Development Center, also provides its tenants with in-depth training through FastTrac and other entrepreneurial training programs and seminars.



- Technical Services has the technology to affect education, business, and community in ways never done before with its state-of-the arts multimedia Internet Protocol network (UAPBNet) and telecommunication infrastructure. This infrastructure allows the University to transmit voice, data, and video over a single converged network. Other services available include Printing Services—a full service full color print shop, an F.M. radio station (89.7 - KUAP), and UAPB Pine Bluff Cable T.V. Channel 24.

Since UAPB is a land grant institution, university faculty members and staff frequently help business owners as a public service. Such help will always depend on the individual faculty or staff member's other demands and preparation to meet your particular need.

For more information about the University of Arkansas at Pine Bluff, call (870) 575-8000 and ask for the office that may be able to help you. You may also visit us on the web at www.uapb.edu.



UAPB Business Support Incubator

Southeast Arkansas College – Pine Bluff



Pine Bluff gives those seeking to open new businesses the advantage of having both a university and a comprehensive community college within its city limits. This kind of access to higher education is a rare and valuable commodity to anyone seeking training for job skills, analysis of the components of job-related tasks, upgrading

of skills, certificates of proficiency, associate level degrees, or university transfer courses.

The Mission of SEARK College is to provide comprehensive community college education and services, with an emphasis on technical education and workforce development for its six-county service area, which includes: Cleveland, Desha, Drew, Grant, Jefferson, and Lincoln counties.

SEARK College offers:

- A college that is fully accredited by The Higher Learning Commission and a member of the North Central Association of Colleges and Schools.
- A college that is ranked as one of the fastest growing two-year colleges in the nation. (National Center for Educational Statistics.)
- A two-year academic transfer program leading to an Associate of Arts Degree.
- Two-year associate degrees, one-year technical certificates, and one-semester certificates of proficiency in more than 40 technical career fields.
- Distance Learning courses, such as telecourses, internet courses, and compressed interactive video (CIV) courses.
- The opportunity for high school students to earn college credit while still in high school through concurrent enrollment at Southeast Arkansas College
- On average, a 98% placement rate for its graduates through SEARK College's Career Placement Center.
- Affordable tuition—one of the lowest in the state.
- A Workforce Development Center that serves more than 1,000 job seekers a year and over 325 companies a year. The mission of the Workforce Development Center is to provide continuous improvements in the development delivery, and affordability of customized training and service to business, industry, government and job seekers.
- An Adult Education Program that annually serves about 950 non-credit adult students.

For more information about Southeast Arkansas College, call the admissions office at (870) 543-5957 or Student Services at (870) 543-5908 or go online at www.seark.edu.



Resources Available to You

Your three most important outside resources are your attorney, accountant, and banker. However, there are other resources or agencies available to assist you.

The Greater Pine Bluff Chamber of Commerce can answer many questions about business trends and demographics of this area. With more than ninety years of community service and development, the Chamber is a non-stock, not-for-profit Arkansas 501 (c) (6) corporation. It boasts approximately 750 members with a strong cadre of dedicated volunteers facilitating many of its programs. It also conducts seminars and workshops.

Pine Bluff Chamber of Commerce
P.O. Box 5069
510 Main Street
Pine Bluff, AR 71611
Phone (870) 535-0110

The mission of the Greater Pine Bluff Chamber of Commerce is to serve its members through efforts to strengthen and nurture the business climate, represent the business community to government and stimulate the further development of the physical and human resources in the greater Pine Bluff area, thereby creating an environment conducive to substantial economic growth and expansion.

Offices for the White Hall Chamber of Commerce are located at 102 Anderson Avenue in White Hall. Detailed information about the community is available at the office or an appointment may be made to speak with a Chamber official by calling (870) 247-5502.

The Economic Research and Development Center (ERDC) is an outreach department of the University of Arkansas at Pine Bluff of Business and Management. The center provides a number of services: One-on-one consulting to new and existing businesses, financial proposals, business plans, marketing research, and financial analysis. Training is provided through FastTrac and other seminars and workshops.

University of Arkansas at Pine Bluff
Economic Research and Development Center
1200 North University Drive
Mail Slot 4943
Pine Bluff, AR 71601
(870) 575-8030

Service Corps of Retired Executives (SCORE sponsored by the U.S. Small Business Administration, matches volunteers with small businesses that need expert advice. These retired business executives share their management and technical expertise with present and prospective owners of small businesses. For more information call SCORE at (870) 575-5298, or pick up an "Application for Service" at SCORE's office at 510 Main Street (The Alliance Building).

Pine Bluff Chamber
of Commerce

White Hall Chamber
of Commerce

ERDC

SCORE



Before You Start Your Business

Before you start your business, you should spend many hours planning. You should also take a serious look at yourself. It takes a special kind of person to start and operate a business. First of all, you must have a positive attitude about yourself and the business you wish to start. You must have the ability to plan and be organized. You will also need to be adaptable to deal with the downs, as well as the ups, in business.

Common Pitfalls:

- Poor management
- Lack of initial capitalization
- Insufficient cash flow



Groundbreaking for an addition at Sissy's Log Cabin in Pine Bluff in May of 2003: A great example of how hard work and persistence can lead to a very successful small business.

Personal Qualities

When you start your business, you should be aware of the long hours necessary to be successful. Your business is not going to be a regular “9 to 5” job with coffee breaks and an hour for lunch. Therefore, you must dearly love your business. Most crucial to your business’s success is your knowledge of the service or product you offer. When planning a business, you should assess your own talents and interests. Even if you plan to hire people to help, you must know all you can in order to ensure the success of your business.

The successful business is frequently started because of a deep interest or experience of its organizer(s). One of the most important factors in successfully operating a small business is education or experience in management. If you take steps to increase your education and experience, you will be one jump ahead of the game from the beginning.

Management Ability

Perhaps the most important skill to have as one considers entering business is management—the ability to lead, direct, and control people and resources in accomplishing the company’s mission, goals, and objectives. Most small businesses do not have enough employees, so the manager has to do much of the work he or she might ordinarily assign to someone else. Frequently, the owner starts the business while still holding a full time job elsewhere.

In small businesses, the manager is frequently a “working manager”—the person who does much of the work and keeps the company focused. The owner/manager will probably spend more hours at the business than anyone else. The reason for this is that the owner/manager is held responsible for the effective operation of the company as well as its profitability. The owner/manager must be an excellent leader, a hard worker, an energetic self-starter, and an honorable person in all dealings with employees, customers, and suppliers.

Statistics compiled by Dun and Bradstreet show that 90 percent of bankruptcies and business closures result from poor management.



Unfortunately, most small businesses that fail do so because of poor management. The second and third common causes of small business failures are lack of initial capitalization and insufficient cash flow. Many failures can be prevented when the owners have a clear understanding of the management requirements necessary to manage a business, such as marketing, merchandising, advertising, accounting, financing, human resource management, pricing, business writing, business law, real estate, state and federal taxes, insurance, bonding, maintenance, management information systems, and production. There are others which are specific to particular businesses.

Types of Organizations

Organization refers to the way the business is owned, the way the profits are split among the owner(s), and the taxes that are assessed. These are five basic ways a business can be organized:

- Sole Proprietorship
- Partnership
- Corporation
- “S” Corporation
- Limited Liability Company



Sole Proprietorship

The sole proprietorship is the simplest and most common type of small business. This type of business has only one owner who is entitled to all the earning of the business. The owner also assumes all the risk of the business. The owner’s personal property such as land, car, home, and personal bank accounts are at risk if the business fails or is sued.

The advantages of a sole proprietorship are:

1. Simple to start (see permits and licenses section).
2. Inexpensive to start.
3. Few legal restrictions.
4. Owner receives all the profit.
5. Profit is taxed only once.

The disadvantages are:

1. Owner is liable for all the activities of the business (unlimited liability).
2. Business does not have a separate legal status (the owner is sued if the business is sued, or if the owner dies the business is dissolved).
3. The business will be limited in raising funds to the amount the owner can secure personally.

NOTE: A business is assumed to be a sole proprietorship unless a legal declaration to the contrary is made.

Sole Proprietorship Highlights:

- Simplest
- Least Expensive
- Unlimited Liability



Partnership Highlights:

- Additional sources of capital
- Ease of information
- Stronger management team
- Divided authority
- Unlimited liability
- Additional reporting requirements

Partnership

A partnership is a group of two or more people in a business. The partners must provide the business with something, whether it is money, knowledge, labor, or ideas. In return for the partners' investment, each partner receives a portion of the profits. If the business fails to make a profit, the partners are responsible for their portion of the loss. The investment and share of each partner are addressed in a formal partnership agreement. The partnership agreement is a legal document describing how the business will operate (who will do what) and how profit and losses will be divided. Both an attorney and an accountant should look at the partnership agreement to ensure that the document is legal, reasonable, and that the earnings and liabilities are fairly split. The partnership agreement also indicates percentage of ownership by each partner.

Once the partnership is operating, each year's tax return will show the business profit and loss, and each owner's share of the earnings (losses). Each owner must then report his/her share of the income on his/her personal tax return.

A partnership can be arranged in several different ways. The partners may actively participate in the management of the business, or they may not have any involvement in the management. If they actively participate in the management according to the partnership agreement, they are called general partners. If they are not allowed to participate in management decisions, they are called limited partners. The partnership must have at least one general partner and can have any number of limited partners. The sharing of profits and losses need not be the same percentage. The partnership agreement can be established so one partner is responsible for all the losses and profits (if any), they are split equally, or any other arrangement as long as all the partners agree.

The major advantages of a partnership are:

1. Ease of organization.
2. More money could be available because of the number of partners.
3. Combines the skill of the partners.
4. Separate legal status.
5. Profit is only taxed once at the partners' individual tax rate.

Disadvantages of a partnership include:

1. General partners have unlimited liability same as a sole proprietorship.
2. Change in partners could end the partnership.
3. Partnership interest is difficult to sell or transfer.
4. Authority for decisions is divided.

Corporation

A third type of organization is a corporation. It is the most regulated, making it a more complex and expensive organization.



A corporation is a separate legal entity from those who own it. The corporation can act as an “individual” in that it may enter into contracts and pay bills. But unlike an individual, the corporation can live indefinitely. The owners of a corporation are the stockholders. While starting a corporation does not require an attorney, it is always wise to seek legal counsel when incorporating. There are books available in local libraries that cover the subject of incorporating in Arkansas.

The major advantages of a corporation are:

1. Owners have limited liability.
2. Life of business is perpetual.
3. Transfer of ownership (stock) is easy.

Disadvantages include:

1. Stockholders’ earnings are taxed twice, because the corporate income is taxed and the owner is also taxed on the dividends received.
2. Cost and difficulty of set up is high.
3. More regulations exist for corporations.

”S” Corporation

A popular choice for a business organization is a corporation known as an “S” corporation. This is a corporation that has elected to be treated under subchapter “S” of the Internal Revenue Service to have its income taxed only at the shareholders’ rate. An attorney or accountant will know if this option is available for the corporation and if it is best for the corporation and its stockholders.

Advantages of setting up an “S” Corporation are:

1. Possible tax advantages.
2. Limited liability.

Disadvantages to the “S” Corporation include:

1. Limited to one class of stock and 75 stockholders.
2. Expense and difficulty of filing The Small Business Corporation Election with the Internal Revenue Service.
3. Has additional legal and tax rules that must be monitored to maintain the integrity of any possible tax advantage.

Corporations are only briefly discussed here because of the complexity involved. As previously discussed, an attorney, local libraries, the University of Arkansas campus library, and the Economic Research and Development Center are excellent sources of information on this topic.

Limited Liability Company (LLC)

The last type of organization is a Limited Liability Company. This hybrid form of business entity offers the best of both corporations and partnerships.

Corporation Highlights:

- Continuous existence
- Possible tax advantage
- Limited liability
- Most expensive to form
- Closely regulated
- Requires extensive record keeping
- Double taxation

”S” Corporation Highlights:

- Income taxed only at shareholders’ rate
- Possible tax advantage
- Limited to one class of stock and stockholders
- Additional legal and tax rules are monitored



**Limited Liability
Company Highlights:**

- Limited liability
- Tax advantages
- More paperwork required

The major advantages include:

1. Limited liability.
2. Tax advantages.
3. Managers not required to be a member or partner.

Disadvantages of a Limited Liability Company include:

1. The expense of filing Articles of Organization with the Secretary of State.
2. Date of dissolution must be stated in the Articles of Organization.
3. Interest cannot be freely transferred.

General Startup

When starting a small business, many people try to spend as little money as possible. They believe that the cost of professional advice provided by an attorney or accountant is not necessary. However, their advice should be sought in the early stages even if the cost appears high. In the long run, the cost of not getting advice may easily exceed the cost of these services. You should also recognize that the need for an attorney and an accountant will continue throughout the life of your business, so it is wise to establish these relationships during the planning stages.

Professional Assistance

Most attorneys and accountants typically will not charge for the initial consultation. This is done to allow you to determine if the professional is knowledgeable about your business. Most professionals are knowledgeable in several fields and should be able to help, yet some are specialized in specific areas which may not be related to your business.

Professionals will also be able to provide you with a list of people that they have helped with similar needs. Most attorneys and accountants will charge more if they think you will only use them once, thus an ongoing relationship will save you money.



Insurance

Insurance may also appear to be an unnecessary expense in the early stages, but all prudent business persons will be adequately covered by the proper types and amounts of insurance coverage.

Four types of insurance generally exist for all businesses. They are fire, liability, automobile, and workers' compensation. Other types of coverage may be needed for your business. Check with several different insurance agents to ensure that the correct coverage for your business is obtained at reasonable prices.

Insurance Coverage:

- Fire
- Liability
- Automobile
- Workers' Compensation



It is advisable to get all of your insurance policies with one insurance company so that there is no question as to which company would be responsible for a claim, and to reduce the possibility of a gap in coverage. Plus, you will want to establish a continuing relationship with your insurance agent just as you will with an attorney or accountant.

For information on which insurance companies are the best, ask the agent for financial rating information on their insurance company, or call the Arkansas Insurance Department at (501) 371-2640.

Business Plan

Your business plan describes your business and how it will be operated. A business plan is a guide that shows the allocation of resources and measures the results of your actions by helping you set realistic goals and make logical decisions.

Your business plan must be well organized. On the next page you will find a general business plan suggestion. It identifies how much money you will need to start your own business. It also establishes your goals and provides information on how you plan to achieve them.

You may be wondering why you should spend time developing such a plan. Here are five benefits for writing a business plan:

1. It gives you a path to follow. Goals and action steps with time limits enable you to guide your business in an organized manner to achieve the results you desire.
2. It makes it easy to let your banker, attorney, and accountant evaluate your needs, goals, and objectives. By understanding the plan's details, each professional can gain a better insight into your situation. The plan also shows that you have prepared, organized, and "done your homework."
3. It can be a communications tool when you need to inform sales personnel, suppliers, and others about your operations and goals.
4. It can help you develop as a manager. It can give you practice in thinking about various situations and opportunities dealing with the business. Over time, such practices can help increase a manager's ability to make sound judgments.
5. It can help you identify potential problems and expenses. Without a clear, logical plan, you may not obtain the financial support you need. So think carefully about your plan, and spend the necessary time to construct it.

General Business Plan Format

- I. Executive Summary
 - A. This summarizes all the following topics
 - B. This should be written last
- II. Description of business
 - A. Legal structure of business
 - B. History of business
 - C. Owners/managers expertise
 - D. Products/services
 - E. Position in industry and advantages in industry
 - F. Suppliers
- III. Market
 - A. Target Market
 - B. Profile of typical customer
 - C. Sales potential
 - D. Trends in industry and market segment
 - E. Competition profile
- IV. Marketing Plan
 - A. Objective
 - B. Strategies on how to achieve objective
 1. How will you attract customers?
 2. How will you sell to customers?
 - C. Packaging and design of product
 - D. Promotion and advertising
 - E. Pricing
 - F. Sales tactics
 1. Sales force
 2. Sales representatives
 3. Distributors
- G. Channels of distribution
 1. Wholesalers
 2. Retailers
 3. Consumers
- V. Internal Organization
 - A. Responsibility placement
 - B. Job descriptions
 - C. Organization chart
- VI. Financial Plan
 - A. Financial structure
 1. Owner's equity
 2. Debt Financing
 - B. Projected financial statements
 1. Income statement
 2. Balance sheet
 3. Cash flow statement
 4. Profit/loss projections
 5. Break-even analysis
 - C. Personal financial statements
 1. Assets and liabilities
 2. Availability of collateral
 3. Personal credit history
- VII. Conclusion
 - A. Your business's unique features
 - B. Likelihood of success
 - C. Projected sale and profits
 - D. Amount personally to invest
 - E. Amount required
 - F. Other pertinent information

Tips on writing the plan:

- Do not be in a hurry. Writing a business plan is extremely important and may take many hours of research and writing.
- Write projected financial statements.
- Resumes or lengthy support data may be placed at the end of the plan under exhibits or appendices
- Any exhibits used should be referenced in the body of the plan. Clearly label each exhibit.
- Show page numbers on each page
- Have the plan reviewed and critiqued by your attorney, accountant, banker, etc., before finalizing.
- Many banks will ask for marketing research to be proofread carefully. One decimal point can make a big difference.
- Make the plan look professional and bind in a high quality binder.
- Keep a record of who has received a copy of your plan. UAPB's Economic Research and Development Center has books, sample business plans, brochures, financial worksheets, and other information about business plans.



Market Research

Many banks will ask for marketing research to be performed before making any loans. Market research should examine the market your business is in. The goal of this research is to determine the need for your product or service. Once the need or demand is established, financial projections can be prepared.

Research may appear intimidating at first, but numerous resources are available locally. Some sources of information and assistance include: Pine Bluff-Jefferson County and White Hall Public Libraries, the Economic & Development Center on the University of Arkansas campus, the Pine Bluff and White Hall Chambers of Commerce, the Southeast Arkansas Regional Planning Commission, the Bureau of Business and Economic Research, the local SCORE chapter, and several community publications and organizations.

Other sources include: potential customers, wholesalers, manufacturers, state government, federal government, trade associations, media representatives, and competitors. There are consulting firms in the Pine Bluff area that will do this research; but keep in mind that good detailed research by professionals is expensive.

Advertising

In order for any business to succeed, your product or service must be sold. If no one knows about it, no one will buy it. Advertising helps to tell others about your business. Once the business's potential customers are identified through market research, advertising should be directed to them. When planning your advertising, take into consideration your competition, your business goals, and your personal goals.

Selecting the most appropriate type of advertising to reach your goals within your financial ability may require using an advertising professional. Several local advertising agencies, print media, television, radio, and sign companies are available to help in finding the appropriate means to advertise your business. Professionals are available in this field that will focus and coordinate all advertising efforts to produce the maximum impact on your target market.

Do not forget to include in the financial statements a budget for ad design and placement. A good agency will earn its fee through smart and creative ad placement.

While retaining an ad agency is advisable, be sure to consider what you can do yourself at little or no cost. For instance, business cards are inexpensive and represent a small ad. Giving samples away is frequently a good way to promote your business, particularly if the product or service is not well known.



Photo courtesy of Gates & Company

Financing

Once the demand is established for your product or service, financial projections can be prepared. These projections will help you determine the amount of money your business will need to get started. A typical business takes from two to three months to one year or more to break even and then to show a profit. Most business owners need some financial assistance to get to the point in time when the business becomes profitable.



Photo courtesy of Cates & Company

When funds are needed, banks are usually the first choice. However, as a start-up business with no history of earnings, it is often too speculative for a bank to finance. Most start-up capital comes from personal resources from the owner(s), family, and friends. Generally banks will require a good credit history, a business plan, projected financial statements, and 20 to 50 percent of the total business financial needs to be provided by the owner(s). Banks may require other items depending on the use of the loan and the nature of the business. Lenders may require collateralization of personal assets to guarantee the loan.

Small Business Administration

Bank loans for small businesses can also be guaranteed by the Small Business Administration (SBA). The standard SBA "loan" actually comes from a bank. The SBA has a number of different loan guarantee programs from which you may choose.

The Low-Doc Loan Program

This program allows local lenders to decide on how much documentation is necessary in submitting requests for loans of \$100,000 or less. Applicants are expected to have a good credit history, good work experience, an understanding of where their business is going, and how the funds would benefit their business. An applicant with a high credit rating will have less documentation required in their application, while those with a poor credit rating must use the regular full documentation process. Applicants should supply a detailed business plan to the lender when applying.

The Certified Development Corporation Program

This program is used to finance buildings, land, and new equipment. It requires the participation of a Certified Development Corporation as well as a commercial lender.

The advantage to using this program is that the borrower is only required to provide 10 percent of the total project costs as equity. The commercial lender provides 50 percent of the total project costs and gets the first lien on 100 percent of the collateral. The disadvantages are that another source of funding must be found if borrowers have working capital needs and there are few lenders in Arkansas that participate in this program.



The Export Revolving Line of Credit Program

This program is designed to help small business owners obtain short-term financing to sell their products and services abroad. The SBA guarantees 85 percent of loans up to \$75,000 and 90 percent of loans up to \$155,000. Loans can be used to finance labor and materials and to provide the working capital needed to perform on a secured export contract.

Other Sources of Funds

There are several commercial banks and lending institutions in Jefferson County. Most have loan officers who specialize in small business loans. Business owners who have an excellent credit rating and the customary collateral have a good chance of securing a small business loan. Combining an SBA guarantee will help in securing a bank loan.

The Arkansas Capital Corporation gives consideration to projects where their participation is between \$100,000 and \$500,000. The ACC almost always requires a local commercial lender to participate and prefers to finance manufacturing operations. An advantage to using the ACC is that it provides long-term, fixed-rate financing when it is not available from normal lending channels. The ACC is in Little Rock (200 South Commerce; Little Rock, AR 72201) at 800-216-7237.

The Economic Development Administration (EDA) Revolving Loan Fund Program is administered through the eight Planning and Development District (PDD) offices throughout Arkansas. Loans are made through a commercial lender with the EDA loaning up to 50 percent of the total project cost. Each PDD has different lending maximums, so check with the Pine Bluff office for availability.

Southeast Arkansas Economic Development
721 South Walnut
Pine Bluff, AR 71601
(870) 536-1971

The advantage of using the EDA program is that its portion of the total project may sometimes be provided at a lower interest rate than the commercial lender's portion. However, there are a limited amount of funds available for the EDA Revolving Loan Fund which restricts the amount of money individual PDD's can loan.

Venture capital firms will lend money, but usually require more in return for loans; frequently they require ownership of the companies. Each venture capital firm will have different requirements for different businesses. There are a few venture capital firms in the area, yet you need not be limited to these.

The *Wall Street Journal* is a good place to look for advertisements by venture capitalists.



Other sources of funding include:

Enterprise Corporation of the Delta
500 Broadway Street
Little Rock, AR 72201
(501) 372-2290

Good Faith Fund
2304 West 29th
Pine Bluff, AR 71601
(870) 535-6233

Choosing a Location

Pine Bluff and White Hall have many desirable locations from which business owners can choose. The type of business will determine many of the requirements of the location. Some aspects to keep in mind are zoning requirements, necessary square footage, storage requirements, store frontage, lease/rent requirements, budgeted rent, taxes, and utilities.

Several real estate companies have commercial real estate departments and can help in your search for the best location. The Pine Bluff Chamber of Commerce maintains a list of real estate agencies and available properties in the area.

The Southeast Arkansas Regional Planning Commission is an excellent source from which to obtain a variety of information when researching desirable business locations. As the metropolitan planning organization for Jefferson County and planning staff for the cities of Pine Bluff and White Hall, the commission maintains the area transportation and land-use plans and can provide population, socio-economic, and public infrastructure data.

Southeast Arkansas Regional Planning Commission
1300 Ohio Street
Pine Bluff, AR 71611
(870) 534-4247

The entire state of Arkansas is organized as an “enterprise zone.” This zone allows state tax refunds for certain business expansions. For more information, contact the Arkansas Department of Economic Development (ADED) in Little Rock at (501) 682-5355.

Utilities

It is important to plan ahead for all the details involved in starting your business. The information below gives some guidelines to follow when working with the various utility companies.

Pine Bluff and White Hall are served by SBC Arkansas for local telephone service. If you are buying an existing business and wish to transfer the phone number, contact the Business (Commercial) Service Center in advance of the actual transfer of service. A deposit and/or advance payment may be required. New or existing businesses should call 1-800-499-7928.

Telephone Service



Electric service is typically provided by Entergy. Contact them at least one day in advance for electric service to an existing building. If you are planning to construct a new building or install additional equipment in an existing building, call their office while you are still in the planning process. Their representatives will be able to help you determine electrical load requirements for the building and the extent of the electrical service required.

1-800-ENTERGY (368-3749)

CenterPoint Energy provides natural gas service in Pine Bluff and White Hall and surrounding rural areas. If you are requesting natural gas service for an existing building, please call at least one day in advance before service is needed. If you are contemplating adding additional equipment to an existing building or constructing a new building, more notification will be required.

A gas company representative can assist you in determining the appropriate type or size of equipment needed and discuss costs for service.

1-800-332-7552

United Water Arkansas provides water service in Pine Bluff. Water service will be connected the next day unless the requesting party pays an additional fee for same day connections. For water service, contact United Water at:

United Water Arkansas
11th and State
Pine Bluff, AR 71601
(870) 534-2721

For construction only, call (870) 534-4572

(You should take the following items when applying: Picture ID; Social Security Card or Federal Identification Number; and If leasing, copy of leasing agreement)

The White Hall Water System is city-owned-and-operated and serves residential and commercial customers. Service may be requested at:

White Hall Water Service
101 Parkway Drive
White Hall, AR 71602
(870) 247-2399

To request cable television service, or for inquiries about cable advertising, call or visit the Pine Bluff Cable TV Office. Office hours are 8:00 a.m. to 5:00 p.m., Monday through Friday.

Pine Bluff Cable TV
715 Poplar
Pine Bluff, AR 71603
(870) 536-0350

Cebridge Connections may serve some suburban and rural areas. Service can be requested by calling 1-877-423-2743.

Electrical Service

Natural Gas Service

Water Service

Cable TV Service



Laws and Regulations

There are several permits, licenses, taxes, and regulations required to operate a business in White Hall and Pine Bluff, but not all will be required for your business. The following is a list of major laws and regulations about which all business owners should be aware.

City of White Hall Occupation Tax

Any person, firm, or corporation within the city of White Hall engaging in the business of selling any and all goods from a regularly established place of business must pay on the first of January each year an annual occupation tax based on the gross value of the average stock inventory for the preceding year. A copy of the Schedule of License Taxes may be obtained at White Hall City Hall located at 101 Parkway.

Information on necessary permitting or arranging for White Hall city services may also be obtained from City Hall or by calling (870) 247-2399.

City of Pine Bluff Business and Occupations License

A municipal occupations license is required for all employers conducting business within the city limits. Annual fees are nominal and are based on total employment or type of business. A state sales and use tax permit number is required as a portion of the license application. Licenses may be obtained at the office of the city collector.

Pine Bluff City Collector
200 East Eight Avenue
Pine Bluff, AR 71601
(870) 543-1810

Permits Required for New Construction

Construction within both the Cities of Pine Bluff and White Hall requires a zoning permit and a building permit. It is recommended that direct communication be established early in the planning stage between project architects or engineers and the zoning and inspection departments to minimize delays in the approval process.

Obtaining a zoning permit is the first step toward city approval of a new building construction. You will be required to submit a site plan drawn to scale that shows the building's location on the property in relation to all property lines, streets and alleys, and other buildings on the property. The plan must also show the proposed location and number of all off-street parking spaces planned for the site.

After you have received your zoning permit, you must submit two copies of complete building plans to the city inspectors for their review and approval prior to the city issuing a building permit. In Pine Bluff, a building plan review fee is assessed by the Inspection Department prior to the review of building plans (the cost is based on the construction cost of the project).

Permits required for new construction:

- Zoning permit
- Building permit
- Certificate of occupancy
- Certificate of zoning compliance



The cities require that construction plans conform to the International/Uniform Building Code and all other applicable local codes. In addition to local approvals, the mechanical plans must adhere to the Arkansas State Mechanical Codes and plumbing plans must adhere to the Arkansas State Plumbing Code, and must be approved by the State Department of Health. Electrical plans must adhere to the national electrical code.

Once construction is complete and the building passes the final inspection, a certificate of occupancy is issued. In Pine Bluff, a certificate of zoning compliance is also required as the final step to ensure that your building and plans are in accordance with the zoning permit issued.

Permits Required for Existing Structures

If the business is to be established in an existing building, you must first contact the zoning department to make sure it is properly zoned for the proposed use and the inspection department to arrange for an inspection if one should be required. After the inspection department has released the building, the zoning department will issue a certificate of zoning compliance.

Pine Bluff Inspection &
Zoning Department
Pine Bluff City Hall
200 East 8th Avenue
Pine Bluff, AR 71601
(870) 543-1845

White Hall City Inspector
or Operations Manager
White Hall City Hall
101 Parkway Drive
White Hall, AR 71602
(870) 247-2399

Southeast Arkansas Regional Planning Commission
(Zoning Administrator for City of White Hall)
1300 Ohio Street
Pine Bluff, AR 71611
(870) 534-4247

After zoning and inspection clearances are received, proceed to the city collector's office in Pine Bluff or the office staff at the City of White Hall to obtain a certificate of occupancy.

Wastewater Permit

All manufacturing and process industries discharging effluent to the Pine Bluff Wastewater Utility (municipal sewerage system) are required to secure a permit prior to commencement of operations. The wastewater utility is in full compliance with all state and federal pollution control requirements and has substantial excess capacity available for industrial use.

A special computer-modeling program has been developed to assist in the accommodation of new industry. Permitting is normally available to meet the specific requirements of industry, with an additional margin granted in permitted discharges for safety purposes. Considerable flexibility has been retained in the system and in permitting procedures to assist industry in meeting federal and state standards for discharge into the system.

Pine Bluff Wastewater Utility
1520 South Ohio
Pine Bluff, AR 71601
(870) 535-6603

White Hall City Inspector
101 Parkway Drive
White Hall, AR 71602
(870) 247-2399



Industrial Park Building and Site Plan Approvals

Pine Bluff offers two of the state's premier industrial parks: the Harbor Industrial District, and Jefferson Industrial Park.

When a site is selected in either, it is necessary that building plans, construction specifications, and site development plans be submitted for approval prior to the commencement of construction. Both industrial parks are located within the corporate limits of the City of Pine Bluff and are appropriately zoned for manufacturing, process industry, and warehousing or distribution operations.

Special zoning districts have been established by the city for the industrial parks. In those districts, the protective covenants in the deed prevail in terms of land use and site development restrictions. For the Harbor Industrial District, plans and specifications are submitted to the Pine Bluff-Jefferson County Port Authority for approval. In Jefferson Industrial Park, plans and specifications are submitted to Jefferson County Industrial Foundation.

Any future exterior modifications, additions, or alterations to the plant require advance approval.

Pine Bluff-Jefferson County Port Authority
Jefferson County Industrial Foundation
510 Main Street
P.O. Box 5069
Pine Bluff, AR 71611
(870) 535-0110
www.pinebluffchamber.com

State Occupational License

Most businesses do not require a state occupational license. To see if your particular occupation requires an occupational license, contact the Research and Analysis Section of the Arkansas Employment Security Division in Little Rock (501) 682-1543.

Sales and Use Tax Permits

Retail operations, businesses who purchase at wholesale and sell at retail, and some service operations require a Sales and Use Tax Permit. This can be obtained from the Sales and Use Tax section of the Arkansas Department of Finance and Administration at (501) 682-7104.

Other State Permits

The Arkansas Department of Health requires restaurants, food services or food manufacturing and other types of personal consumption businesses to have permits. To find out if your business will need a permit, contact the Department of Health at (501) 661-2000.

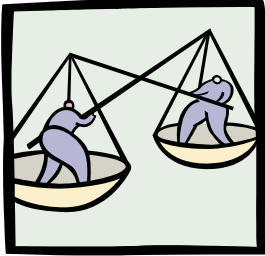
Business owners wishing to sell alcoholic beverages need to obtain a permit from the Alcoholic Beverage Control. Contact the ABC at (501) 682-1105.

Air pollution, solid waste, stream pollution, and water quality permits can be obtained from the Arkansas Department of Environmental Quality. For more information call (501) 682-0744.



Federal Permits

A federal permit is required to locate a structure, excavate, or discharge dredged or fill materials in U.S. waterways. The same permitting process applies to filling or materially altering the character of a wetland as defined by federal agencies. Contact the U.S. Army Corps of Engineers in Little Rock at (501) 324-5551.



Fair Labor Standards Act

This act requires employers to maintain records on wages, hours, and other items. The Arkansas Department of and Standards, Labor Law Division, is responsible for the administration and enforcement of labor laws and the prosecution of offenders. Information regarding labor laws may be obtained from:

Arkansas Department of Labor Wage and Hour Division
10421 West Markham
Little Rock, AR 72205
(501) 682-4505

Workers' Compensation

The Arkansas Workers' Compensation Commission is responsible for administering workers' compensation laws in Arkansas. Workers' compensation insurance is mandatory in Arkansas if you have at least three employees. If your business is engaged in building or building repair, coverage begins with two employees. If your business contracts or subcontracts any part of a contract, coverage begins with one employee. If the owner is working in the business, he or she counts as an employee. Insurance companies will notify the commission regarding which employers carry insurance policies in the state.

Workers' compensation coverage is available through private insurance companies. The Arkansas Insurance Department, which regulates all insurance rates, keeps a list of insurance companies authorized to write such policies. Estimates on premiums can be provided by the insurance companies.

Additional information may be obtained from the following agencies:

Arkansas Workers' Compensation Commission
Justice Building
324 Spring Street
P.O. Box 950
Little Rock, AR 72203
(501) 682-3930

Arkansas Insurance Department
University Tower Building, Suite 400
1123 South University Avenue
Little Rock, AR 72204
(501) 686-2900



Unemployment Insurance

The Arkansas Employment Security Division administers both the federal and state unemployment tax. This department also provides labor information and helps employers find employees. Individuals can use this department to find employment. Labor market and wage information is available.

Arkansas Employment Security Division
1001 Tennessee
Pine Bluff, AR 71601
(870) 534-1920
www.arkansas.gov/esd

Posters

All posters can be obtained from the U.S. Department of Labor.

U.S. Department of Labor
425 West Capitol, Suite 725
Little Rock, AR 72201
(501) 324-5292

- Civil Rights: Must be displayed if there are 15 or more employees.
- Age Discrimination: Must be displayed if there are 20 or more employees.
- U.S. Fair Labor Standards Act Wage-Hour: Must be displayed if there is at least one employee.
- Occupational Safety and Health Administration (OSHA): Must be displayed if there is at least one employee.
- Employee Polygraph Protection: Must be displayed if there are two or more employees or if the business does over \$500,000 in sales or is involved in interstate commerce. This poster is available from the U.S. Department of Labor, Wage-Hour Division.
- Immigration and Naturalization: Employers must have employees complete Form 1-9.

There are various federal laws that all employers must be aware of, such as the Equal Pay Act, Title VII of the Civil Rights Act, Age Discrimination in Employment Act, Americans With Disabilities Act, and Family and Medical leave Act. Contact an attorney for further details.

Taxes

If you are a voter located within Arkansas, you are required to register under the Gross Receipts Tax Law. A \$50 non-refundable fee is required.

Sales & Use Tax

If you are making sales of tangible personal property from outside Arkansas by means of sales persons, solicitors, peddlers, agents, or by taking orders for sales of the same, you must register under the Vendor Compensating Use Tax Law.



If you are making purchases from outside Arkansas for use, storage, distribution, or consumption within state boundaries, and the Arkansas tax is not collected by the seller, you must register under the Consumer Use Tax Act and remit the tax directly to the state. For more information on Sales & Use Tax, contact:

Revenue Division - Sales & Use Tax Section
P.O. Box 1272
Little Rock, AR 72203-1272
(501) 682-7104

There is currently no federal sales tax. However, some of the current legislation would replace at least a portion of the current federal income tax with a federal sales tax.

Miscellaneous Use Tax

The Miscellaneous Tax Section handles various areas of taxation including: Timber Processing Tax, Severance Tax on all natural resources, Cigarette Tax, Tobacco Products Tax, cigarette and cigarette paper permits, Imported Wine Tax, Wine, Liquor, and Beer Enforcement, Amusement Tax, Real Property Transfer, Soft Drink Tax, Brucellosis Assessment, beef, wheat, rice and soybean promotions, Merchandise Vending, beauty pageant registration fees, Swine Eradication Program, Bromide and Museum Fund, Severance and Brine, Cigar and Tobacco Tax, Beer and Liquor Tax, Domestic Wine Tax, and Waste Tire Fee. For more information on Miscellaneous Tax, contact:

Revenue Division - Miscellaneous Tax Section
P.O. Box 896
Little Rock, AR 72203-0896
(501) 682-7187

Motor Fuel Tax

Any company requesting a gasoline or diesel fuel distribution license within the state of Arkansas must contact the Motor Fuel Tax Section to obtain the proper application and bond forms. No sale of gasoline or diesel fuel is permitted in Arkansas without a license.

Certain tax credits are available from federal motor fuel taxes for businesses that operate off-road and/or special use vehicles.

Motor Carrier Fuel Tax

Arkansas is a member of the International Fuel Tax Association (IFTA). All Arkansas-based motor carriers operating interstate must obtain the appropriate license. Any motor carrier based in a non-IFTA jurisdiction has the option to become a licensed and bonded user. Payments on a "per trip" basis are also authorized. For more information on Motor Fuel and Motor Carrier Fuel Tax, contact:

Revenue Division - Motor Fuel Tax Section
P.O. Box 1752
Little Rock, AR 72203-1752
(501) 682-4800



Federal Highway Use Tax

In addition to the Arkansas requirements, motor vehicles (with certain exceptions) with gross weights of 55,000 pounds or greater, are required to pay federal highway use tax, which ranges from \$75 to \$550 per year. This tax is paid on IRS Form 2290 and is generally due by August 31 of each year. If a truck is placed into service in a month other than July, the Form 2290 and tax payment are due by the end of the following month. The State of Arkansas generally requires proof of filing of the Form 2290 and payment of the tax before it will issue or renew the license for a vehicle with a gross weight of 55,000 pounds or more. For more information on Federal Highway Use Taxes, contact:

Internal Revenue Service
Memphis, TN 37501
1-800-829-1040

Individual Estimated Tax

Estimated Tax is a convenient and efficient way for anyone to pay personal income tax throughout the year if the Arkansas tax due on an individual return is expected to be \$1,000 or more. All estimated taxes are paid in quarterly installments. The first three payments are made during the same year the income is earned, while the last payment is made during January of the following year. Due dates are: April 15, June 15, September 15, and January 15 every year.

Although the final payment is due the following year, it is actually the last payment for the preceding year. A fifth quarter extension payment form can be filed on the due date of an Arkansas individual tax return. This payment does not affect the underestimate penalty, but it does stop interest accrument.

To avoid penalties for underestimating an Arkansas tax liability, taxpayers must pay either at least 90 percent of the current year's tax liability, or 100 percent of the previous tax year's liability. Since it is sometimes difficult to estimate 90 percent of a current year's tax liability the 100 percent option is recommended. For more information on Arkansas Estimated Taxes, contact:

Revenue Division - Estimate Tax Unit
P.O. Box 9941
Little Rock, AR 72203-9941
(501) 682-7272

Essentially the same rules apply for federal personal estimated income tax payments, the threshold requiring estimated tax payments is also \$1,000 for federal. However, if your adjusted gross income for a tax year is more than \$150,000, you are required to pay either 90 percent of the current year's tax, or 110 percent of the previous year's liability in order to avoid the imposition of the federal underestimate penalty. For more information on Federal Estimated Taxes, contact:

Internal Revenue Service
Austin, TX 73301
1-800-829-1040



Corporations

One of the first things a corporation must do is to acquire a federal employer identification number (EIN). This number serves to identify the corporation for most tax purposes. In addition, it is required by banks in order to open a corporate bank account. For information regarding the procedures for acquiring an EIN, see Employer Identification number below.

The filing of this form also registers the corporation as an employer for federal employment tax purposes, but not for Arkansas tax purposes.

“S” Corporation

The Internal Revenue Code allows certain small business corporations with no more than 75 shareholders to be treated much like a partnership for federal income tax purposes. The result of this is that the corporation itself does not normally pay income taxes. Instead, the profits and/or losses generated by the operations of the corporation are passed through to the shareholders and taxed on their individual returns. (As a general rule, only individuals and certain types of trusts are allowed to be S corporation shareholders.) This treatment eliminates the double taxation associated with normal corporations.

In order to be treated as an “S” corporation, all the shareholders must consent to the treatment. An IRS Form 2553 must be filed by the 15th day of the third month of the first tax year to which the election is to apply. Care should be taken to ensure that all shareholders sign the election. Also, if the election is made for the first year the corporation is in existence, the form should not be signed by the shareholders before the articles of incorporation are perfected with the Secretary of State’s office.

While most of the regulations required to file as a Small Business Corporation for Arkansas are identical to those of the Internal Revenue Service, the following conditions must also be met for Arkansas purposes:

- The corporation must be already accepted as a Small Business Corporation with the IRS.
- An Arkansas Election as A Small Business Corporation (Form AR 1103) must be submitted to the state and be approved.

Note: Submitting an election to the IRS does not automatically allow the filing as a Small Business Corporation for Arkansas purposes. For more information on S corporations, contact:

Revenue Division - S Corporation Unit	Internal Revenue Service
P.O. Box 3628	Ogden, UT 84201
Little Rock, AR 72203-3628	1-800-829-1040
(501) 682-7284	

Corporation Taxes

Who must file:

Every corporation organized or registered under the laws of Arkansas, or those corporations having income from Arkansas sources (as defined in Arkansas Code Annotated 26-51-101 and following as amended, with the exception of those corporations exempted by Arkansas Code 26-51-303), must file an income tax return.



Consolidated returns are permitted under certain conditions. Domestic International Sales Corporations (DISC) and Foreign Sales Corporations (FSC) should use Arkansas Form AR1100CT. Federal schedules are accepted. S corporations should use tax Form AR1100S. Life insurance companies that pay a premium tax, as provided by law, are exempt.

Form AR1100CT is due on or before the 15th day of the 3rd month following the closing of a corporation's tax year. File with the Department of Finance and Administration's Corporation Income Tax Section.

Period Covered. Any corporation operating in the state must calculate its Arkansas income tax liability by using the same income year for state income tax purposes as was used for federal purposes.

Accounting Methods. A corporation must calculate its Arkansas income tax liability using the same accounting method for state income tax purposes as was used for federal Corporation Estimated Tax Payments

Arkansas:

Estimated tax payments are required if the corporation's tax liability is more than \$1,000. A corporation required to make such payments must remit an estimated amount equal to or greater than 90 percent of the actual tax liability of the income year, or 100 percent of the corporation's prior income year tax liability. Payments are due in four equal amounts as follows:

Estimated Payment Voucher Number	Due Date
1.....	15th day of the fourth month
2.....	15th day of the sixth month
3.....	15th day of the ninth month
4.....	15th day of the twelfth month

Effective for tax periods beginning on or after January 1, 1995 a corporation that has an estimated quarterly state income tax liability equal or greater than \$20,000 must pay its estimated quarterly state income tax liability by Electronic Funds Transfer (EFT).

Federal:

Federal law requires estimated tax payments if the total tax liability of a corporation is at least \$500. Corporations are required to make payments of the lesser of 100 percent of the current year's tax liability or 100 percent of the previous year's liability. Payments are due in four equal amounts as follows:

Estimated Payment Coupon Number	Due Date
1.....	15th day of the fourth month
2.....	15th day of the sixth month
3.....	15th day of the ninth month
4.....	15th day of the twelfth month



Any additional tax due with the return must be paid by the 15th day of the third month following the end of the tax year. Unlike Arkansas corporate tax payments, federal corporate tax payments must be made at federal depository banks with a federal deposit coupon, Form 8109.

Multistate Corporations

Income derived from activities that are taxable in and outside Arkansas is subject to allocation and apportionment. This income is apportioned to Arkansas by multiplying it by a fraction, the numerator of which is the property factor plus the payroll factor and the sales factor, plus the denominator of which is three (see Schedule A, for AR1100CT).

Income Tax Rate Applicable to Corporations

Arkansas corporate tax rates are on a graduated scale ranging from one percent on the first \$3,000 of taxable income to 6.5 percent on all taxable income over \$100,000. Federal corporate tax rates are also on a graduated scale ranging from 15 percent on the first \$50,000 of taxable income to a maximum rate of 39 percent. For personal service corporations, the federal tax is computed based upon a flat rate of 35 percent.

Limited Liability Company (LLC) and Limited Liability Partnership (LLP)

LLC's and LLP's are general treated as partnerships for federal and Arkansas income tax purposes. In other words, they do not normally pay any income taxes at the entity level. Instead, the profits and/or losses from the business are passed-through to the owners and reported on their individual returns.

Although this is very similar to S corporations, LLC's and LLP's are not restricted as to the types of entities which can be owners. However, LLC's and LLP's must file documents with the Arkansas Secretary of State upon their organization much like a corporation.

It is important to consult with a competent tax professional before selecting either of these entity forms to be sure all the possible tax ramifications have been considered.

Partnership

All income and/or losses generated by partnerships are reported on the income tax returns of the partners. The partnership itself does not normally pay income tax. All partnerships are required to obtain a federal identification number and file a separate income tax return for both federal and Arkansas.

One negative tax aspect of partnerships is that all general partners, who are individuals, must pay a 15.3 percent federal Self-Employment Tax on their share of profits from partnerships in addition to normal income taxes on the profits. This also applies to certain individual owners of LLC's and LLP's.

Franchise Tax

Franchise Taxes are administered by the Secretary of State's Office located in the State capitol. A corporation conducting business in Arkansas must file a corporate charter and an annual franchise tax report with the Secretary of State. Limited Liability Companies must also file similar reports.



Domestic corporations for profit must pay a \$50 fee when filing original articles of incorporation. Foreign corporations must pay a qualification fee of \$300.

For more information on Franchise Taxes, contact:

Secretary of State
Corporations Department
State Capitol Building – Room 058
Little Rock, AR 72201-1094
(501) 682-3409



Withholding Taxes

Employers are required to withhold the following taxes on all employees who perform services for an employer doing business in, or deriving income from, sources in Arkansas:

- Arkansas individual income tax
- Federal individual income tax
- Federal FICA tax (the employer is required to match this amount)
- Federal Medicare tax (the employer is required to match this amount)

New employers are required to withhold and remit the full amount deducted and withheld from the wages of employees on a monthly basis. For more information on Arkansas withholding, you should obtain a copy of the income tax withholding tables and instructions from:

Revenue Division - Withholding Tax Unit
P.O. Box 9941
Little Rock, AR 72203-9941
(501) 682-2216

New employers should also obtain Circular E for the federal withholding rules from:

Internal Revenue Service
Memphis, TN 37501
1-800-829-3676

Employers are required to file Arkansas Forms AR941M each month indicating the amount of Arkansas income tax withheld for the preceding month. Payment of the withheld taxes is governed by the amount withheld and is discussed in the instructions mentioned above.

Federal law requires a Form 941 to be filed at the end of each calendar quarter reporting the amount of wages paid and the federal withholding and employer matching amounts due. The payment rules for federal employment taxes are discussed in Circular E.

The amount of withholding for each employee is based upon the information they provide on federal Form W-4 and Arkansas Form AR4EC, which they are required to complete and return to their employer. This form is kept in the employer's records. Employers are also required to complete and maintain a Form 1-9 (immigration) for each employee.



In addition to these withholding requirements, employers are also required to pay both federal and state unemployment taxes on wages. Arkansas requires a return be filed at the end of each calendar quarter reporting the amount of wages paid, the tax liability, and making payment of the taxes. An additional registration is required for Arkansas unemployment taxes but not for federal unemployment taxes. Federal law requires the annual filing of Form 940. Payment requirements are discussed in Circular E. For more information regarding Arkansas Unemployment taxes, contact:

Employer Responsibility
Arkansas Employment Security Department
P.O. Box 2981
Little Rock, AR 72203
(501) 682-3276

Employer Responsibility

The Arkansas Withholding Section requires an employer to request a registration packet with the following forms upon hiring the first employee:

- Employer Registration Statement
- Withholding Chart and Instructions
- Arkansas Withholding Exemption Certificates

Complete the registration forms and return them with the required Federal Identification Number. For more information on an employer's responsibility, contact:

Revenue Division - Withholding Unit
P.O. Box 9941
Little Rock, AR 72203-9941
(501) 682-2216

Employer Identification Number

To have a business identified for tax purposes, an Employer Identification Number is necessary. The IRS issues every business a number and it can also be used for state purposes.

To obtain a federal Employee Identification Number (EIN), complete and file a Federal Form SS-4. To request this form by phone, call (800) 829-3676. A business may apply for the EIN in two ways:

- Complete form SS-4, mail or fax it to the IRS at (901) 365-5015 and an EIN will be issued to you in approximately four weeks or less.
- Complete form SS-4 and call the IRS in Memphis, Tennessee to obtain an EIN immediately at (901) 546-3920. This telephone number is not toll free and calling will involve long distance charges.



Tax Credits & Incentives

The state of Arkansas operates the way businesses do, proactively anticipating opportunities and quickly responding to challenges in innovative ways. This approach, combined with our incentive programs, makes Arkansas a profitable choice for locating or expanding a business.

Arkansas' performance-based incentives are nationally competitive and easy to use. The Arkansas Department of Economic Development (ADED) will focus on your business's specific needs, conduct a cost-benefit analysis and design a tailored incentive package.

Arkansas' incentives, which were updated in 2003, are based on payroll instead of number of jobs and are determined according to location. Counties are divided into four tiers, based on poverty rate, unemployment, per capita income, and population growth; incentives are more lucrative in less-developed counties. Tiers are assigned annually on July 1, based on the previous years' statistics.

The new incentives may be combined to allow for more flexibility.

There are special incentives for start-up businesses in six targeted sectors. See page 38 for more information.

Super Projects

In November 2004, Arkansas voters overwhelmingly approved an amendment to the state constitution to help attract super projects. The state can now issue general obligation bonds for projects that can create 500 jobs and \$500 million in investment. Bonds are limited to 5 percent of net state general revenues during the most recent year—currently approximately \$180 million in bonds.



Photo courtesy of Cates & Company

The governor and legislature will decide to issue bonds, based on an economic impact analysis provided by ADED and the Arkansas Development Finance Authority.

Advantage Arkansas

Income Tax Credit

Advantage Arkansas provides a credit on state income tax equal to between one percent and four percent of new payroll for five years, depending on the tier of the county for which the business locates.

To qualify for Advantage Arkansas, the business's operations must fit one of the following descriptions continuously and throughout the project term:



- Manufacturers in NAICS codes 31-33 and businesses primarily engaged in commercial physical or biological research; or
- Eligible computer-related businesses with no retail public sales that derive at least 75 percent of their revenue from out-of-state sales; or
- Businesses primarily engaged in motion picture production with no retail public sales that derive at least 75 percent of their revenue from out-of-state sales; or
- Distribution centers, including e-commerce distributors, that derive at least 75 percent of their resources from out-of-state sales; office sector businesses; corporate or regional headquarters; or trucking/distribution terminals with no retail public sales; or
- Scientific and technical services businesses that derive at least 75 percent of their revenue from out-of-state sales.

For the business to qualify for the income tax credit, employees must be Arkansas taxpayers. The credit begins in the year in which the new employees are hired. Any unused portion of the credit may be applied against income tax for the succeeding nine years.

Tax Back - Sales and Use Tax Refund

Advantage Arkansas participants are also eligible for a refund of sales and use taxes for building materials and taxable equipment connected with the eligible project.

Applicants for Tax Back must obtain an endorsement resolution from the local governing authority, must meet the same qualification criteria as Advantage Arkansas, and must be approved by the Arkansas Department of Economic Development.

InvestArk

Sales and Use Tax Credit



InvestArk is a sales and use tax credit available to businesses established in Arkansas for two years or longer that invest \$5 million or more in plant or equipment for new construction, expansion or modernization. The business must be approved for the program 30 days prior to beginning construction.

A credit against the business's state sales and use tax liability is authorized equal to ½ percent above the state sales and use tax rate in effect at the time a financial incentive agreement is signed. The sales and use tax credit is a percentage of eligible project cost. All projects will be audited upon completion to confirm the tax credits.

The credit can be applied against the business's state sales and use tax liability. If the entire credit cannot be used in the year earned, the remainder may be carried forward for five years. Total project expenditures must be incurred within four years of the project plan approval.

Businesses eligible for this incentive include:

- Manufacturers in NAICS codes 31-33 and businesses primarily engaged in commercial physical and biological research; or
- Eligible computer firms and businesses primarily engaged in motion picture production with no public retail sales that derive at least 75 percent of their revenue from out-of-state sales; or
- Distribution centers, including e-commerce distributors, that derive at least 75 percent of their resources from out-of-state sales, office sector businesses, or corporate or regional headquarters with no retail public sales; or
- Scientific and technical services businesses that derive at least 75 percent of their revenue from out-of-state sales.

Customized Training Incentives

The Business and Industry Training Program of the Arkansas Department of Economic Development (ADED) provides pre-employment training for Arkansas workers to meet the skills needed in the state's new and expanding businesses. ADED's Customized Training Incentives Unit works with the department's Business Development Unit during the negotiation process. After a commitment to the state is made, a Customized Training Incentives Coordinator is assigned to develop the training plan with the business.

The Existing Workforce Training Program provides financial assistance to Arkansas' businesses and eligible consortia of businesses for upgrading the skills of the existing workforce. Skills upgrade training is defined as instruction conducted in a classroom environment at a worksite, an educational institution or a neutral location that provides an existing, full-time employee with the new skills necessary to enhance productivity, improve performance, and/or retain employment.

Eligible businesses include:

- Manufacturers in the North American Industry Classification System (NAICS) codes 31-33.
- Computer firms that derive at least 75 percent of their revenue from sales outside of Arkansas and have no retail sales to the general public.
- Firms primarily engaged in commercial, physical and biological research as defined by NAICS code 541710.

EWTP reimbursements are calculated according to a set of scoring criteria. For companies that use a state-supported educational institution, the program pays the lesser of the following: 50 percent of the cost of training paid to the school OR

- \$60 per instructional hour, times the number of instructional hours delivered by a full time instructor or trainer; 50 percent or more eligible participants must complete each course.
- \$50 per instructional hour, times the number of instructional hours delivered by adjunct or part-time instructors or trainers; 50 percent or more eligible participants must complete each course.



- \$35 per instructional hour, times the number of instructional hours for all courses if fewer than 50 percent of eligible participants complete each course.
- For companies that use their own employees or company-paid consultants to deliver classroom training to their employees, EWTP offers an Arkansas income tax credit that cannot exceed \$15 per instructional hour.

The maximum funding for any one company site cannot exceed \$50,000 per year.

To be considered for financial assistance under EWTP, a company must submit an application prior to the beginning of training, provide assurance that the participants involved in the proposed training program possess the requisite literacy skills, and clearly tie the proposed training to specific business goals and performance objectives.

Tuition Reimbursement Tax Credit

Arkansas provides a 30 percent state income tax credit to eligible companies for reimbursements they make to employees for approved educational expenses. The employees must attend an accredited Arkansas post-secondary educational institution.

Southeast Arkansas College

This accredited, local, two-year community college offers associate degree educational programs, technical career courses, and both pre-employment and on-the-job training courses. Special training needs can be met through either on-campus or in-plant classes customized by its Workforce Development Center.

Southeast Arkansas College
 1900 Hazel Street
 Pine Bluff, AR 71603
 (870) 543-5947
www.seark.org

University of Arkansas at Pine Bluff

This four-year university, which is accredited by the North Central Association, offers two associate degree programs, 42 bachelor degree programs, and three master's degree programs. UAPB fulfills its mission through teaching, researching, and public service. The university recently deployed UAPBnet, an advance fiber optic network merging written, verbal, and video capabilities into one network. This \$8.2 million project offers tremendous potential for both the university and the region.

University of Arkansas at Pine Bluff
 1200 North University Drive
 Pine Bluff, AR 71601
 1-800-264-UAPB (8272)
www.uapb.edu



Recycling Equipment Tax Credit

Act 654 of 1993 allows Arkansas taxpayers to receive an income tax credit for the purchase of equipment used exclusively for reduction, reuse or recycling of solid waste material for commercial purposes, whether or not for profit, and the cost of installation of such equipment by outside contractors. Such equipment must be used in the collection, separation, processing, modification, conversion, treatment or manufacturing of products containing at least 50 percent recovered materials of which at least 10 percent is post-consumer waste.

The amount of the tax credit shall equal 30 percent of the cost of eligible equipment (as determined by the Arkansas Department of Environmental Quality) and installation costs. Credits may be carried over a maximum of three consecutive years following the taxable year in which the credits accrued.

Taxpayers receiving credit under this act for the purchase of machinery and equipment shall not be entitled to any other state or local tax credit or deduction based on the purchase of the machinery or equipment, except normal depreciation.

Childcare Facility Tax Incentive

Arkansas offers a tax incentive for businesses that provide childcare for their employees.

A business may choose between two state income tax credit options: 1) A credit of 3.9 percent of the total annual payroll of the employees working in the childcare facility, or 2) a one-time \$5,000 state income tax credit for the first year. The income tax credit may be carried forward for two years or until used entirely, whichever comes first.

In addition to either option, businesses may receive a refund on sale and use taxes on construction materials and furnishings purchased to equip an approved childcare facility.

To qualify for these incentives, the business must be approved to operate an early childcare program (as determined by the Arkansas Department of Human Services, Division of Child Care and Early Childhood Education). The business may choose to operate the facility or contract the operations.

Freeport Law

Arkansas' Freeport Law exempts from property tax those finished goods and raw materials in transit or awaiting shipment to out-of-state companies.

Motion Picture Incentive

Qualifying motion picture production businesses spending more than \$500,000 within six months, or \$1 million within 12 months, in conjunction with the filming or producing of one feature film, telefilm, music video, documentary, episodic television show or commercial advertisement may receive a refund of state sales and use taxes paid on qualified expenditures incurred in conjunction with the project.



Tourism Development

The Arkansas Tourism Development Act provides state sales and use tax credit and income tax credits to businesses initiating approved tourism attraction projects.

Sales tax credits shall be determined in accordance with the following criteria:

- Eligible minimum project costs must be \$500,000.
- The percentage of sales tax credits, ranging between 10 percent and 25 percent, shall be determined by total approved project costs.
- The ability to take the sales tax credit is determined by the incremental sales tax liability incurred as a result of the project.
- Other review criteria requested by the Arkansas Department of Economic Development maybe requested to determine whether the tourism attraction project meets the intent of the Act.

Additionally, eligible businesses may receive a credit on state income tax equal to the average hourly wage of each new, full-time, permanent employee times 100, with a \$3,000 cap per employee. The multiplier increases from 100 to 400 with a \$6,000 cap per employee in a “high unemployment” county. Employees must be Arkansas taxpayers.

Both tax credits begin in the year in which the new employees are hired. Any unused portion of the credit may be applied against corporate income tax for the succeeding nine years.

Public Roads Improvement Credit

The Arkansas Public Roads Improvement Credit Act of 1999 provides an income tax credit to any individual, fiduciary or corporation subject to Arkansas state income tax that contributes to the Public Roads Incentive Fund of the Department of Economic Development. The contribution may be made to a general improvement fund or designated for a specific project that is approved by the director.

The credit cannot exceed 33 percent of the taxpayer’s contribution. In any one tax year, the credit cannot exceed 50 percent of the taxpayer’s net Arkansas state income tax liability after all other credits and reductions have been calculated. Any amount over 50 percent can be carried forward up to three years.

Additional Benefits

When a business locates in Arkansas, it can take advantage of the following additional benefits:

- Favorable unemployment insurance and workers’ compensation rates;
- A right-to-work state, as guaranteed by the Arkansas Constitution; and
- Favorable individual and corporate income tax rates.



Discretionary Incentives

Create Rebate Program

Negotiated By The Arkansas Department of Economic Development in Highly Competitive Situations.

Businesses hiring specified, new, full-time, permanent employees within 24 months after completion of an approved expansion and/or new location project may be eligible for the Create Rebate Program.

Under terms negotiated by the Arkansas Department of Economic Development, this program provides businesses a financial rebate from 3.9 to 5 percent of the annual payroll of the new, full-time, permanent employees. The financial incentive is 3.9 percent in Tier 1 counties, 4.25 percent in Tier 2 counties, 4.5 percent in Tier 3 counties, and 5 percent in Tier 4 counties. Please see map on page 39 for a definition of the County Tier System.

In each tier of counties, a minimum payroll of new, full-time, permanent employees of \$2 million annually is required.

Incentives are available approximately 12 months after the business has fulfilled the minimum payroll requirements.

Eligible businesses include the following:

- Manufacturers in NAICS codes 31-33; or
- Eligible computer businesses with no retail public sales that derive at least 75 percent of their revenue from out-of-state sales; or
- Businesses primarily engaged in commercial physical and biological research; or
- Businesses primarily engaged in motion picture production with no retail public sales that derive at least 75 percent of their revenue from out-of-state sales; or
- Distribution centers, including e-commerce distributors, that derive at least 75 percent of their resources from out-of-state sales and have no retail public sales; or
- Office sector businesses or national, corporate, or regional headquarters with no retail public sales; or
- Scientific and technical services businesses that derive at least 75 percent of their revenue from out-of-state sales.



Photo courtesy of Cates & Company



ArkPlus

Negotiated By The Arkansas Department of Economic Development in Highly Competitive Situations.

The basic incentive provided by the ArkPlus program is a state income tax credit that provides tax credits of 10 percent of the total amount of the new investment. The amount of income tax credit taken during any tax year shall not exceed 50 percent of the annual Arkansas income tax liability resulting from the project.

To utilize the ArkPlus program, businesses must sign a financial agreement prior to construction outlining the terms of the incentives and including the following:

- Businesses must invest a minimum of \$2 million to \$5 million in a plant or construction or expansion project, depending on the tier of the county in which the business is located.
- Businesses must have a payroll of at least \$1 million to \$2 million in new, full-time, permanent employees, depending upon the tier of the county in which the business locates, within 24 months of the date that the financial agreement is signed and maintain the payroll requirements at the new project location for the duration of the incentive period. Failure to do so could result in termination of the program and reimbursement of the incentives credited plus penalty and interest.

Eligible businesses include the following:

- Manufacturers in NAICS codes 31-33; or
- Eligible computer businesses with no retail public sales that derive at least 75 percent of their revenue from out-of-state sales; or
- Businesses primarily engaged in commercial physical and biological research; or
- Businesses primarily engaged in motion picture production with no retail public sales that derive at least 75 percent of their revenue from out-of-state sales; or
- Distribution centers, including e-commerce distributors, that derive at least 75 percent of their resources from out-of-state sales and have no retail public sales; or
- Office sector businesses or national, corporate, or regional headquarters with no retail public sales; or
- Scientific and technical services businesses that derive at least 75 percent of their revenue from out-of-state sales.

Research and Development

Income tax credits for research and development were expanded during the 2003 session of the Arkansas General Assembly. The existing 33 percent income tax credit for taxpayers who pay for research performed at Arkansas universities remains. In addition, a 10 percent income tax credit, capped at \$10,000 per year, was approved for eligible businesses performing in-house research. Targeted businesses may also earn transferable income tax credits equal to 33 percent of approved expenditures for in-house research.



Targeted Businesses

These discretionary incentives are for start-up companies in emerging sectors that are less than five years old, have an annual payroll between \$200,000 and \$1 million, and pay at least 150 percent to 180 percent of the county's current average hourly wage, depending on the tier of the county in which the business locates.

Emerging technology sectors include:

- Advanced materials and manufacturing systems
- Agriculture, food, and environmental services
- Biotechnology, bioengineering, and life sciences
- Information technology
- Transportation logistics
- Bio-based products

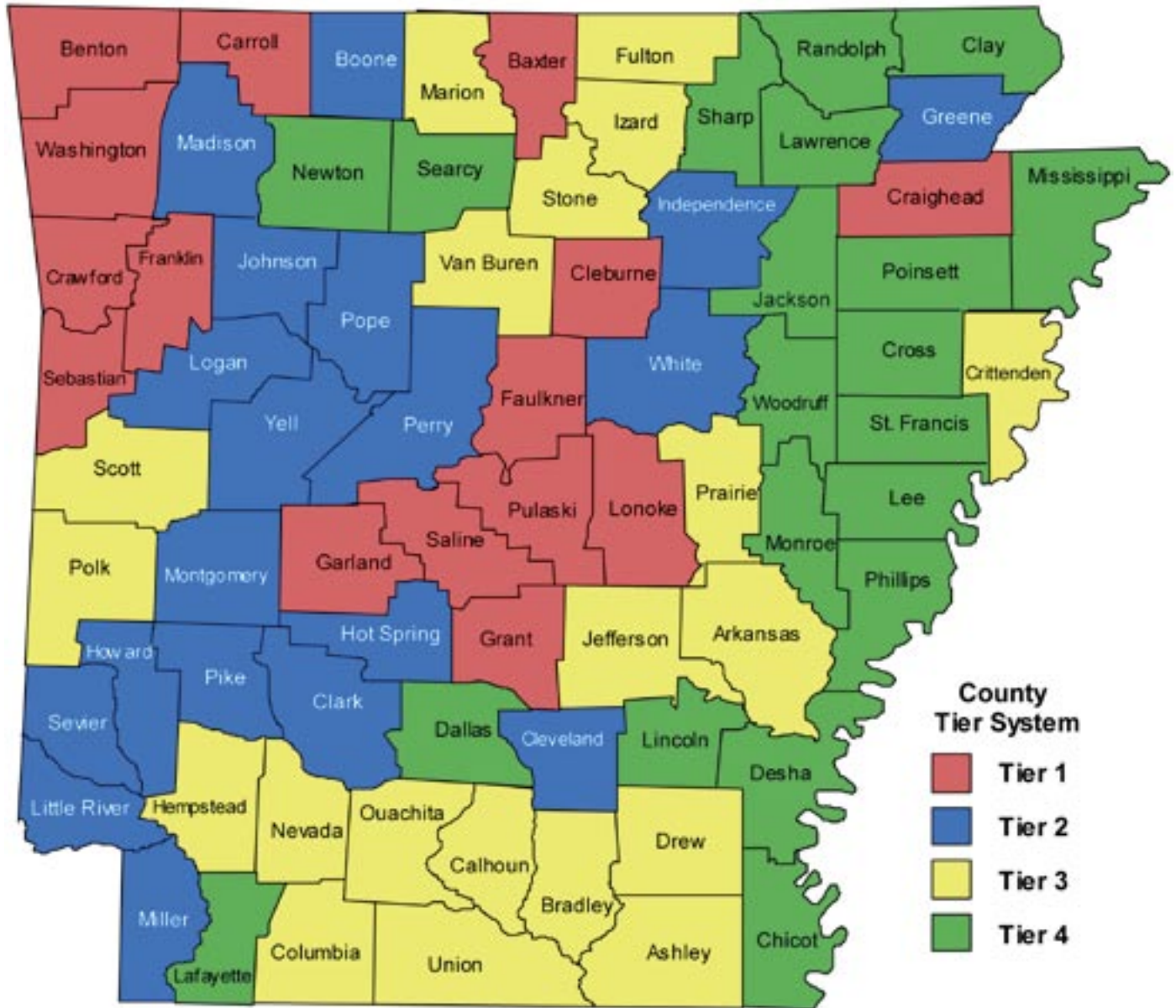
Companies meeting these criteria are eligible for a transferable income tax credit equal to 10 percent of payroll for up to five years, a transferable income tax credit equal to 33 percent of eligible research and development costs, and sales and use tax refunds on building materials and necessary equipment.



Port of Pine Bluff - Photo courtesy of Joe Dempsey



County Tier System Map



Effective July 1, 2004 through June 30, 2005



Conclusion

To strengthen your business position in the community, you should consider joining the Greater Pine Bluff Chamber of Commerce and/or the White Hall Chamber of Commerce.

The Chamber of Commerce is a voluntary organization of the business community. It unites hundreds of businesses and industries, creating a unique central organization working to improve our strong economy and enhance our quality of life. More than 80 percent of Chamber investors are small business owners, all interested in working with The Chamber to preserve and expand our healthy business environment.

But, more importantly, The Chamber is people. People who realize that through The Chamber they can accomplish collectively what no one of us can do individually. The strength of The Chamber lies in attracting the greatest number of members and creating a pool of resources from which can be drawn ideas, energy, and finances.

- Chamber membership is not an expense. It is an investment in the future of your business and community which may be tax deductible.
- If you are interested in improving the economy and quality of life in the Pine Bluff-White Hall area, you should be interested in the varied and effective programs of The Chamber, with sub-committees working together to enhance the area's economy and quality of life.
- If your schedule will not permit you to give of your time, please consider contributing to the chamber and its community improvement projects with your financial support. Lend a hand to your business peers who are taking time out to help our community. Get involved when you can.

We sincerely hope and anticipate that this handbook will be helpful as you prepare to start a business in Pine Bluff-White Hall. Starting a business anywhere is difficult and challenging, but we want the experience to be exciting! We believe our community is a near ideal setting for business, and information presented in this handbook should be helpful as you prepare your start-up. Since this is the first edition, we ask that you make comments as you use this booklet. Please let us know when information is incorrect or outdated and make suggestions on information we should include in the future.

We wish you the best as you embark on an exciting new chapter in your life. Please let us know if we can be of further assistance. We encourage you to take advantage of the free resources available to you such as the ERDC and SCORE.



Ribbon cutting ceremony at the Watson Chapel Branch of the Bank of Star City – March 2004



Important Numbers

AR Dept of Economic Development (ADED)
One State Capitol Mall
Little Rock, AR 72201
(501) 682-1121

AR Small Business Development Center
100 South Main Street
Little Rock, AR 72201
(501) 324-9043

City of Pine Bluff, City Collector
200 East Eighth Avenue
Pine Bluff, AR 71601
(870) 543-1805

City of Pine Bluff Inspection & Zoning Dept.
200 East Eighth Avenue
Pine Bluff, AR 71601
(870) 543-1845

The Federal Building in Pine Bluff
Main 100 East Eighth Avenue
Pine Bluff, AR 71601
(870) 536-3535

Greater Pine Bluff Chamber of Commerce
510 Main Street
Pine Bluff, AR 71601
(870) 535-0110

Arkansas Revenue Department
2801 South Olive Street
Pine Bluff, AR 71601
(870) 536-6793
(501) 682-1121

Jefferson County Clerk
101 West Barraque Street
Pine Bluff, AR 71601
(870) 541-5322

Pine Bluff/Jefferson County Library
200 East Eighth Avenue
Pine Bluff, AR 71601
(870) 534-4802

SE Arkansas Regional Planning Commission
1300 Ohio Street
Pine Bluff, AR 71611
(870) 534-4247

SCORE
510 Main Street
Pine Bluff, AR 71601
(870) 535-0110

SE Arkansas Economic Development District
721 South Walnut
Pine Bluff, AR 71601
(870) 536-1971

White Hall Chamber of Commerce
102 Anderson Avenue
White Hall, AR 71602
(870) 247-5502

White Hall City Hall
101 Parkway Drive
White Hall, AR 71602
(870) 247-2399

White Hall Public Library
300 Anderson Avenue
White Hall, AR 71602
(870) 247-5064

UAPB Watson Memorial Library
1200 North University Drive
Pine Bluff, AR 71601
(870) 575-8413

UAPB Economic Research & Development Center
(ERDC)
Mail Stop 4943
1200 North University Drive
Pine Bluff, AR 71601
(870) 575-8030



Business Start-up Checklist

- Evaluate your personal characteristics and motivation for starting a business.
- Choose a business that is suitable for you.
- Evaluate the feasibility of your proposed business.
- Consider startup requirements and common pitfalls of a small business.
- Choose the legal structure for your business.
- Consider insurance costs and types.
- Research utility expenses.
- Consider all taxes and permits that might be required:
 - ✓ Certificate of Occupancy
 - ✓ Doing Business As
 - ✓ State Occupational Licenses
 - ✓ Zoning Permits
 - ✓ Federal Tax ID Number
 - ✓ Employee Taxes
 - ✓ State Sales Tax
- Develop a business plan that consists of:
 - ✓ Marketing efforts
 - ✓ Industry analysis
 - ✓ Customer Analysis
 - ✓ Competition Evaluation
 - ✓ Pricing of Products
 - ✓ Location Analysis
 - ✓ Financial Information (Forecasts, Break-even Analysis)
- Develop financing request and obtain initial capital.
- Finalize all start-up requirements.



Federal Tax Due Dates

January

- 15 • Estimated Income Tax – Final installment for last year due with payment (Form 1041)
- 31 • Employer's Taxes – Employees' withheld tax statements are due; income, FUTA, etc.
 - Federal Unemployment Tax due if more than \$100 (Form 941)
 - Employers Quarterly Tax Return for Household Employees (Form 942)
 - Partnership exchange of partnership interest (Form 8308)

February

- 15 • Ask each employee who filed exempt to fill out a new W-4
- 16 • Begin withholding for previously exempt employees
- 28 • File copy A of Form 1099 with Form 1096 with the IRS
 - Form W-2 must be filed with the Social Security Administration
 - File copy A of Form W-2 with Form W-3 with the IRS

March

- 15 • Corporation due date of tax returns (Form 1120)
 - Withholding from nonresident aliens, foreign corporation, or foreign partnerships (Form 1042)

April

- 15 • Individual Income Tax and Self-Employment Tax (Form 1040)
 - Corporate Estimated Income Tax (Form 8109)
 - Partnerships Income Tax (Form 1065)
- 30 • Federal Unemployment Tax due if more than \$100 (Form 941)
 - Employers Quarterly Tax Return for Household Employees (Form 942)

May

- 15 • Annual information return for tax exempt organizations (Form 990)
- 31 • Annual information return for tax exempt organizations (Form 990)

June

- 15 • Nonresident Alien Individual Income Tax
 - Estimated Income Tax
 - Foreign Corporation Income Tax

July

- 31 • Federal Unemployment Tax due if more than \$100 (Form 941)
 - Employers Quarterly Tax Return for Household Employees (Form 942)

September

- 15 • Federal Unemployment Tax due if more than \$100 (Form 941)
 - Employers Quarterly Tax Return for Household Employees (Form 942)

October

- 15 • Estimated Income Tax

December

- 1 • Ask for a new W-4 from employees who will change their filing status
- 15 • Estimated Income Tax



State Tax Due Dates

January

- 15 • Individual Estimated Taxes
- Monthly Income Tax
- 20 • Sales and Use Taxes due for December
- 31 • Three copies of Form W-2 must be sent to all employees
- Employers Annual Reconciliation Report

February

- 20 • Sales and Use Taxes due for January

March

- 20 • Sales and Use Taxes due for February

April

- 15 • Individual Estimated Taxes
- 20 • Sales and Use Taxes due for March

May

- 20 • Sales and Use Taxes due for April

June

- 15 • Individual Estimated Taxes
- 20 • Sales and Use Taxes due for May

July

- 20 • Sales and Use Taxes due for June

August

- 20 • Sales and Use Taxes due for July

September

- 15 • Individual Estimated Tax
- 20 • Sales and Use Taxes due for August

October

- 20 • Sales and Use Taxes due for September

November

- 20 • Sales and Use Taxes due for October

December

- 20 • Sales and Use Taxes due for November



Index

"S" Corporation	9, 25	Limited Liability Partnership	27
Advantage Arkansas	30	Market Research	13
Advertising	13	Miscellaneous Use Tax	23
Alcoholic Beverage Control	20	Motion Picture Incentive	34
Arkansas Department of Economic Development (ADED)	30	Motor Carrier Fuel Tax	23
Arkansas Department of Environmental Quality	20	Motor Fuel Tax	23
Arkansas Employment Security Division	22	Multistate Corporations	27
Arkansas Individual Income Tax	28	Natural Gas Service	17
Arkansas Insurance Department	21	Occupation Tax	18
Arkplus	37	Partnership	7, 8, 27, 43
Building Permit	18	Pine Bluff Business and Occupations License	18
Business and Industry Training Program	32	Pine Bluff Chamber of Commerce	5, 16, 40, 41
Business Plan	11	Pine Bluff Inspection and Zoning Department	19
Cable Television Service	17	Pine Bluff Wastewater Utility	19
Certificate of Occupancy	19	Pine Bluff-Jefferson County Port Authority	20
Certificate of Zoning Compliance	19	Posters	22
Childcare Facility Tax Incentive	34	Public Roads Improvement Credit	35
Corporation	5, 8, 9, 18, 25, 27, 43	Recycling Equipment Tax Credit	34
Corporation Taxes	25	Research and Development	37
County Tier System Map	39	Revenue Division	23
Create Rebate Program	36	Sales & Use Tax	22
Department of Labor	22	Sales and Use Tax Permits	20
Economic Development Administration (EDA)		Service Corps of Retired Executives (SCORE)	5
Revolving Loan Fund Program	15	Small Business Administration	5, 14
Economic Research and Development Center	3, 2, 5, 9, 12	Sole Proprietorship	7
Electric Service	17	Southeast Arkansas College	4
Emerging Technology Sectors	38	Southeast Arkansas Economic Development District	15
Employer Identification Number	29	Southeast Arkansas Regional Planning Commission	13, 16, 19
Employer Responsibility	29	State Occupational License	20
Enterprise Corporation of The Delta	16	State Tax Due Dates	44
Estimated Tax Payments	26	Super Projects	30
Existing Workforce Training Program	32	Tax Credits & Incentives	30
Fair Labor Standards Act	21	Telephone Service	16
Federal FICA Tax	28	The Arkansas Capital Corporation	15
Federal Highway Use Tax	24	The Arkansas Department of Health	20
Federal Individual Income Tax	28	The Arkansas Department of Labor	21
Federal Medicare Tax	28	The Certified Development Corporation Program	14
Federal Permits	21	The Export Revolving Line of Credit Program	15
Federal Tax Due Dates	43	The Low-Doc Loan Program	14
Financing	14	Tourism Development	35
Franchise Tax	27	Training Incentives	32
Freeport Law	34	Tuition Reimbursement Tax Credit	33
Good Faith Fund	16	Unemployment Insurance	22
Harbor Industrial District	20	University of Arkansas At Pine Bluff	3, 2, 3, 5
Individual Estimated Tax	24	Venture Capital Firms	15
Industrial Park Building and Site Plan Approvals	20	Wastewater Permit	19
Insurance	10, 11, 21	Water Service	17
Internal Revenue Service	28	White Hall Chamber of Commerce	5, 40, 41
Investark	31	White Hall City Inspector	19
Jefferson County Industrial Foundation	20	Workers' Compensation	21
Jefferson Industrial Park	20	Zoning Permit	18
Limited Liability Company	9, 10, 27		

