

2025

Legislative Agenda

Our mission is to promote a pro-business,
free-enterprise agenda and prevent
anti-business legislation, regulations, and rules.



ARKANSAS
STATE CHAMBER
OF COMMERCE



ASSOCIATED
INDUSTRIES OF
ARKANSAS

2025 Legislative Agenda

ADVANCING ARKANSAS TOGETHER

As a leading voice for Arkansas business, the State Chamber/AIA strives to promote policies that support employers, encourage innovation, and ensure Arkansas remains competitive in a rapidly evolving economy.

Today's economic landscape demands fierce competition—for every job, every investment, and every opportunity. To thrive, Arkansas must align its strategies, adopt innovative ideas, and focus on measurable progress to build a stronger, more prosperous future.

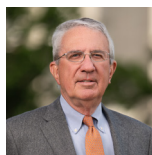
Representing more than 1,100 businesses of all sizes and sectors, the State Chamber/AIA collaborates with local chambers of commerce, business associations, and economic developers statewide. Our primary priorities include:

- **Developing a skilled and available workforce** to create a robust talent pipeline for Arkansas employers.
- **Advocating for a competitive tax environment** that attracts businesses and investments.
- **Fostering an economic environment** that positions Arkansas as a leader in attracting and retaining businesses.
- **Securing long-term funding for infrastructure** to support sustainable economic growth.

This agenda is developed with input from our issue-based committees and approved by our boards of directors. It serves as a roadmap for our legislative efforts and guides our governmental affairs team. The State Chamber/AIA Executive Committee provides direction for critical issues, conflicts of business interests, or emerging challenges.

This agenda serves as the foundation for our legislative scoring. The results will be featured in the 2025 Legislative Summary to demonstrate our advocacy outcomes.

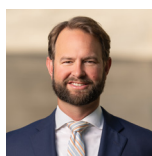
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OUR MISSION

To serve as the voice of business while seeking to continually enhance the state's economic climate by promoting a pro-business, free-enterprise agenda and preventing anti-business legislation, regulations, and rules.



Taxation

TIER 1

Tier 1 represents high-priority issues that the State Chamber/AIA seeks to address immediately to drive impactful changes for Arkansas businesses.

WE SUPPORT

- ✔ Immediately updating state sales tax rules and ensuring compliance with required biennial rulemaking after each legislative session.
- ✔ Establishing an income tax credit for property taxes paid on inventory and eliminating the inventory tax.
- ✔ Improving access to affordable childcare.
- ✔ Reviewing legislative proposals to amend Tax Appeal Commission laws with the intent to support changes that benefit Arkansas businesses.
- ✔ Modifying sales tax nexus requirements to ensure out-of-state sellers charge sales tax on Arkansas internet purchases.

WE OPPOSE

- ✘ Eliminating local advertising and promotion taxes that support community growth.

TIER 2

Tier 2 includes longer-term objectives that the State Chamber/AIA will pursue responsibly as additional opportunities or fiscal resources become available.

WE SUPPORT

- ✔ Lowering income taxes for individuals and corporations in a fiscally responsible manner.
- ✔ Extending the Net Operating Loss Carry Forward period.
- ✔ Fully repealing the throwback rule.
- ✔ Implementing market-based sourcing to align Arkansas with other states.
- ✔ Allowing the depreciation and exemption of rural broadband grants.
- ✔ Increasing the equity investment credit from 33% to 50%.
- ✔ Adjusting technical Pass Through Entity (PTE) tax policy adjustments.
- ✔ Expanding the manufacturing tax exemption to cover custom manufacturing.
- ✔ Ensuring equal access to economic development tax credits for nonresident investors.
- ✔ Converting the reduced rate for manufacturing electricity and natural gas into a true exemption and expanding qualifying fuels to include coal and lignite.
- ✔ Clarifying tax exemptions on water purchases for manufacturing use.

Workforce Quality and Education

WE SUPPORT

- ✔ Improving literacy and numeracy among Arkansas students.
 - Prioritizing immediate Reading Readiness for all Pre-K-12 students, with exceptions for those precluded by intellectual disabilities.
- ✔ Developing, retaining, expanding, and attracting a globally competitive workforce.
- ✔ Enhancing technical education and workforce training programs to ensure statewide accessibility for all students.
- ✔ Developing a continuous learning system with student-specific, competency-based portfolios to provide clear pathways through K-12 education, career technical education, higher education, and incumbent workforce.
- ✔ Advancing efforts to help public schools improve academic outcomes.
- ✔ Expanding alternatives to traditional K-12 and post-secondary education by providing students with clear information on alternative pathways and facilitating seamless transitions from high school apprenticeships or internships to college certificates or apprenticeship programs.
- ✔ Investing in CTE initiatives and enhancing funding for modern training equipment to better prepare students with essential skills.
- ✔ Expanding the Adult Diploma Program to provide Arkansans with more flexible educational opportunities.

WE OPPOSE

- ✘ Adopting four-day school weeks in Arkansas schools.

Energy

WE SUPPORT

- ✔ Ensuring the availability, capacity, and affordability of electricity.
- ✔ Safeguarding oil and gas production in Arkansas.

Healthcare

WE SUPPORT

- ✔ Maintaining a Medicaid Expansion Plan to preserve federal matching funds.
- ✔ Passing legislation that ensures stable and reasonable pharmacy services for employers without increasing costs for employers or employees.
- ✔ Conducting impact studies before considering healthcare mandate legislation to assess potential effects on employers, employees, and state health plans.

WE OPPOSE

- ✘ Healthcare mandates that increase the cost of employers' healthcare plans.

Economic Development

WE SUPPORT

- ✓ Adopting the Arkansas Economic Development Commission's legislative package as endorsed by the Arkansas Economic Developers & Chamber Executives.
- ✓ Addressing housing shortages to promote economic growth.
- ✓ Expanding access to childcare to support employees' families and improve workforce retention.

Labor & Employment

WE SUPPORT

- ✓ Protecting employers from large and obstructive protests that prevent employees and customers from accessing businesses.
- ✓ Improving the affordability and accessibility of childcare for Arkansas workers.

WE OPPOSE

- ✗ Repealing, reversing, or limiting the Arkansas Right-to-Work law in any way.
- ✗ Repealing noncompete clauses.

Transportation and Infrastructure

WE SUPPORT

- ✓ Providing the Arkansas Department of Transportation with sufficient revenue to maintain safe highways.
- ✓ Preserving and enhancing transportation and infrastructure development through all other forms of government provisions.
- ✓ Expanding and developing rural broadband access.

Legal Environment

WE SUPPORT

- ✓ Modifying the attribution of fault among tortfeasors.
- ✓ Adjusting recoverable damages in personal injury cases.
- ✓ Protecting employers who hire ex-offenders.

WE OPPOSE

- ✗ Allowing third-party lawsuit financing.

Unemployment Insurance

WE SUPPORT

- ✔ Clarifying medical marijuana language regarding confidentiality in the workplace for unemployment insurance and possibly workers' compensation.
- ✔ Expanding workforce access for individuals leaving incarceration, potentially exempting them from first-year unemployment insurance contributions.
- ✔ Adopting guidelines to help employers identify employees working under the influence of marijuana.

WE OPPOSE

- ✘ Indexing the minimum and maximum weekly benefit amounts and the duration of benefits.

Occupational Licensing

WE SUPPORT

- ✔ Reducing unnecessary licensing and regulatory requirements.

WE OPPOSE

- ✘ Eliminating all licensing requirements.

Workers' Compensation

WE SUPPORT

- ✔ Amending or eliminating the Made Whole Doctrine.
- ✔ Adopting a Major Cause rule for cases where an injured worker has a pre-existing condition.

WE OPPOSE

- ✘ Efforts to increase or eliminate benefit caps.
- ✘ Changes to civil procedure rules that would erode or eliminate exclusive remedy protections.
- ✘ Expanding compensation to cover mental injuries without a corresponding physical injury.

Census

WE SUPPORT

- ✔ Securing appropriations to fund initiatives aimed at achieving a complete and accurate census count in 2030.

Taxation

GUIDING PRINCIPLES

WE SUPPORT

- ✔ Maintaining Arkansas' three-pronged tax system of property, income, and sales taxes.
- ✔ Making the state's total business tax burden competitive with neighboring states and with other states in the region and maintaining the state's tax competitiveness long-term.
- ✔ Retaining current legal requirements for passing new taxes.

WE OPPOSE

- ✘ Shifting the tax burden to businesses and industries, thereby making Arkansas less competitive for investments and jobs.
- ✘ Eroding the tax base in any way that does not promote economic development.

SALES & USE TAX

WE SUPPORT

- ✔ Establishing a data center or business computer equipment exemption.
- ✔ Creating a warehousing and distribution exemption.
- ✔ Expanding manufacturing equipment exemptions to include all facility equipment.
- ✔ Exempting consumables used in manufacturing.
- ✔ Extending deadlines for local sales and use tax refunds.
- ✔ Centralizing the administration and enforcement of sales and use taxes.

WE OPPOSE

- ✘ Imposing double taxation or "pyramiding" on business inputs.
- ✘ Imposing new taxes on business services.
- ✘ Shifting tax responsibility from property or income taxes to business-to-business sales taxes, including software downloads.

INCOME TAXES

WE SUPPORT

- ✔ Providing preferential tax treatment for capital gains.
- ✔ Adopting the Model Uniform Statute for reporting federal adjustments to taxable income and partnership audits.

WE OPPOSE

- ✘ Adopting any sales factor throwout rules.
- ✘ Implementing mandatory unitary combined income tax reporting.
- ✘ Eliminating capital gains exemptions.

PROPERTY TAXES

WE SUPPORT

- ✔ Expanding the freeport exemption to include distribution centers for out-of-state products.
- ✔ Ensuring fair property assessment and valuation procedures.

WE OPPOSE

- ✘ Reducing taxpayer rights.

BUSINESS INCENTIVES

WE SUPPORT

- ✔ Enacting Arkansas Economic Development Commission's competitive incentive package.
- ✔ Reducing overly burdensome compliance requirements for incentives without diminishing the value of the incentives.
- ✔ Making incentive tax credits refundable when feasible.
- ✔ Creating or enhancing incentives to attract knowledge workers.
- ✔ Reducing, capping, or eliminating the franchise tax.

TAXPAYER RIGHTS

WE SUPPORT

- ✔ Protecting and expanding taxpayer rights in assessment and collection processes.
- ✔ Protecting the confidentiality of taxpayer information and data.
- ✔ Reducing overpayment and underpayment interest rates to 5% or a comparable, less distortive rate.



Education and Workforce Quality

WE SUPPORT

- ✔ Promoting core values in Pre-K-12 public education, including student focus, transparency, accountability, rewards, choice, and agility.
- ✔ Linking Career Technical Education funding to programs that meet market demand (e.g., high-wage industry needs) and achieve student outcomes (e.g., employment or program completion) with a five-year plan for phasing out and discontinuing funding for ineffective programs.
- ✔ Advocating for data-driven alignment and improved quality across Pre-K, K-12, and higher education.
- ✔ Encouraging student-focused business leaders to run for and be elected to local school boards.
- ✔ Empowering technical education instructors and adjunct faculty to work across multiple institutions within the industries of their expertise and receive salaries competitive with private employment.
- ✔ Requiring schools that cover the cost of AP tests to also fund, at the same frequency and from the same source, the cost of national technical credential examinations for enrolled students.
- ✔ Collaborating with organizations such as Arkansas Learns, Arkansas Public School Resource Center, Upskill Arkansas, Economics Arkansas, STEM Coalition, Forward Arkansas, and Arkansas AIMS to advance student-focused priorities.
- ✔ Expanding the impact of the “Be Pro Be Proud” initiative.
- ✔ Advocating for efforts to grow and improve Arkansas' workforce by:
 - ✔ Raising career awareness among parents, students, educators, and policymakers to highlight diverse career opportunities.
 - ✔ Ensuring that career counselors provide detailed information on job prospects, including salary data and intrinsic benefits.
 - ✔ Increasing flexibility in education programs to meet evolving market needs.
 - ✔ Expanding access to work-based learning opportunities.
 - ✔ Engaging disconnected youth in workforce preparation.
 - ✔ Preparing more ex-offenders for employment while providing protections for businesses that hire them.
 - ✔ Structuring workforce training around industry sector strategies.
 - ✔ Prioritizing talent development and retention through work-based learning experiences.
 - ✔ Using data for continuous improvement and accountability in workforce programs.
- ✔ Encouraging local chambers and economic developers to collaborate with community leaders and educational institutions to identify and support workforce needs, such as basic reading, math, and soft skills, and to create partnerships that align training programs with employer requirements.

Energy and Environment

WE SUPPORT

- ✔ Basing all energy policy decisions on factual data and sound economic justification.
- ✔ Ensuring any changes to Arkansas' environmental policy balance environmental protection with economic development priorities.
- ✔ Providing Arkansas families, businesses, schools, and government agencies with access to the energy necessary to sustain economic growth, delivered at reasonable costs to maintain the state's competitiveness.
- ✔ Ensuring that state and federal environmental policies value the national and global competitiveness of Arkansas businesses.
- ✔ Encouraging Arkansas businesses to act as good stewards of the environment and energy supply by adopting energy-efficient programs and technologies while maintaining a balanced approach that prevents unnecessary costs and avoids burdensome or overreaching government regulations on industrial and commercial users.
- ✔ Supporting recommendations from the State Chamber/AIA Task Force on Energy, which may propose and/or review environmental legislation and provide position recommendations to staff and the Executive Committee.
- ✔ Protecting and promoting the exploration, production, and use of Arkansas' natural resources.
- ✔ Advancing the environmental legislative agenda developed by the Arkansas Environmental Federation (AEF), as approved by the State Chamber/AIA Executive Committee.

(The AEF was founded by the State Chamber/AIA and continues to serve as its environmental committee.

The State Chamber/AIA Executive Vice President serves as an ex-officio member of the AEF Board of Directors.)

Healthcare

WE SUPPORT

- ✔ Stabilizing and reducing employers' healthcare costs through reasonable legislative initiatives.
- ✔ Pursuing National Cancer Institute (NCI) designation for UAMS' Winthrop P. Rockefeller Cancer Institute.
- ✔ Addressing opioid and substance use disorders and their negative impact on workplace safety and productivity.
- ✔ Expanding multidiscipline telemedicine and digital access across Arkansas to enhance healthcare services and reduce employer healthcare costs.
- ✔ Maintaining and expanding healthcare access statewide.
- ✔ Expanding healthcare education and workforce development initiatives.

Transportation

WE SUPPORT

- ✔ Developing and implementing well-reasoned and balanced plans to improve surface transportation, waterway navigation, rail infrastructure, and intermodal systems as transportation is vital to the economic success of the state.

Economic Development

WE SUPPORT

- ✓ Advancing legislation recommended by the Arkansas Economic Developers & Chamber Executives to enhance economic development in Arkansas.
- ✓ Enacting proactive policies that attract and retain jobs while creating and maintaining a competent, well-trained workforce in Arkansas.
- ✓ Encouraging venture capital investment through supportive legislation.
- ✓ Maintaining and strengthening the Governor's Quick Action Closing Fund.
- ✓ Ensuring the preservation of the Create Rebate Program.
- ✓ Providing targeted incentives for industry sectors critical to Arkansas' economic success.
- ✓ Improving the competitiveness of Arkansas' corporate income tax structure.
- ✓ Enacting rural development initiatives aimed at improving housing, small business jobs, technology, and healthcare in underserved areas.

Labor & Employment

WE SUPPORT

- ✓ Providing incentives to employers who hire individuals with criminal records.
- ✓ Reforming franchise laws to safeguard small businesses from union interference.
- ✓ Establishing state preemption of local regulations on wages, leave policies, and scheduling.
- ✓ Strengthening trespass protections to prevent unauthorized distribution of employer information.
- ✓ Ensuring transparent processes that protect employers from union card-check practices.
- ✓ Collaborating with ARSHRM to review and support employment-related legislation.

WE OPPOSE

- ✗ Requiring public or private employers to legally withhold union dues from employee paychecks.
- ✗ Enacting a Public Employee Collective Bargaining Act.

Legal Environment

WE SUPPORT

- ✓ Advancing civil justice reforms that promote fairness and competitiveness for businesses in Arkansas.
- ✓ Advancing policies that protect the confidentiality of sensitive business information.

Unemployment Insurance

WE SUPPORT

- ✔ Reforming unemployment insurance to be more employer-friendly.
- ✔ Maintaining a solvent trust fund at the lowest possible cost to employers while also providing competitive employee benefits.
- ✔ Improving UI processes to give employers better access to account data and fraud-prevention tools.
- ✔ Expanding virtual options for DWS hearings.
- ✔ Passing legislation to:
 - ✔ Improve drug testing standards.
 - ✔ Streamline DWS hearing notices and procedures.
 - ✔ Assist employers in avoiding worker misclassification.
 - ✔ Increase program integrity.

WE OPPOSE

- ✘ Passing legislation that weakens a sound unemployment compensation system.

Workers' Compensation

WE SUPPORT

- ✔ Protecting reforms enacted by Act 796 of 1993.
- ✔ Identifying solutions to mitigate the impact that closing claims with the Death and Permanent Total Disability Trust Fund has on employers.

Immigration

WE SUPPORT

- ✔ Acknowledging immigration as a federal issue and enacting comprehensive immigration reform.

Term Limits

WE SUPPORT

- ✔ Ensuring the General Assembly has experienced legislators to maintain a fair balance of power between the state's legislative branch and executive branch.

WE OPPOSE

- ✘ Establishing or extending term limits.

Thank you to our Pinnacle Members

The Pinnacle Program recognizes the state's outstanding corporate citizens – State Chamber/AIA members who desire to make a significant statement about their participation in Arkansas' future. These companies help make the state a better place to live, work, and conduct business by supplying the leadership and financial support necessary for the State Chamber/AIA to effectively represent the Arkansas business community.

Pinnacle members play a vital role in our grassroots action network, on our policy committees, and on the State Chamber/AIA Board of Directors. By doing so, these members provide the State Chamber/AIA with the resources necessary to succeed while also influencing the future of Arkansas and improving its economic climate.

Apex

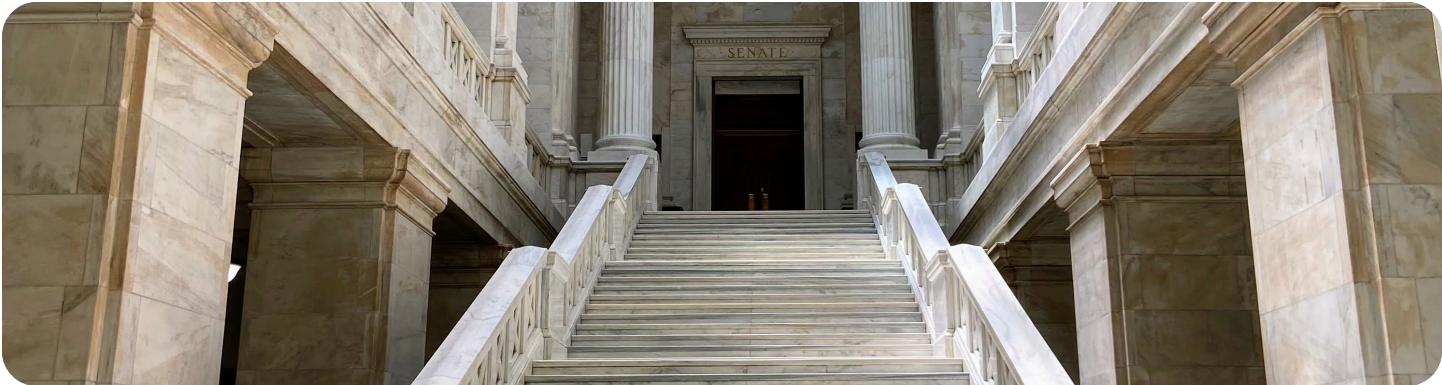
- Amazon
- Central Moloney
- Entergy Arkansas
- Saracen Casino Resort
- Walmart

Summit

- Albemarle
- Cox Communications
- Flywheel Energy
- Meta
- Nucor Steel
- Southland Casino Resort
- Tyson Foods
- United States Steel

Peak

- Arkansas Blue Cross and Blue Shield
- Arvest Bank
- AT&T
- Citizens Bank
- Coca-Cola Consolidated
- Deloitte Services LP
- Dyke Industries, Inc.
- ELOPAK
- ExxonMobil
- Farm Bureau Mutual Insurance Company of Arkansas, Inc.
- JD & Billy Hines Trucking
- Lockheed Martin
- McGeorge Contracting Company Inc.
- MISO
- Oaklawn Jockey Club
- OG+E
- Rineco Chemical Industries
- Summit Utilities
- USABLE Life
- Verizon Wireless
- Washington Regional Medical Center
- Windstream
- Wright, Lindsey & Jennings LLP



Crown

ABB
ADT Commercial
AEP Southwestern Electric
Power Company
Aerojet Rocketdyne Corporation
America's Car-Mart Inc.
American Greetings Corporation
American Kraft Paper Industries LLC
American Petroleum Institute—
Gulf Coast
Anchor Packaging, Inc.
Anthony Timberlands Inc.
Arauco North America
Arkansas Business Publishing Group
Arkansas Children's
Arkansas Community Bankers
Arkansas Department of Transportation
Arkansas Division of Services
for the Blind
Arkansas Farm Bureau Federation
Arkansas Foundation for Medical Care
Arkansas Oklahoma Gas Corporation
Arnold & Blevins
Bachoco Foods
Bank OZK
Baptist Health
Beechwood Pinnacle Hotels, LLC
Ben E. Keith Company
Black Hills Energy
Black River Technical College
BNSF Railway
Bradley Industrial Construction
Bridgestone Americas Tube Business
Brightspeed
Canfor Southern Pine, Inc.
CARTI
Caterpillar Inc.
CDI Contractors
Centennial Bank
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Crossland Companies
Dassault Falcon Jet
Delta Dental of Arkansas Inc.
Denso Manufacturing Arkansas, Inc.
Domtar
El Dorado Chemical Company
Elevance Health, Inc.
EverBranch Capital Group
Farm Credit Services of Arkansas
Farmers Bank & Trust - Magnolia, AR
FedMet Arkansas LLC
First Community Bank
First Horizon Bank
First Orion Corp.
Forvis
FutureFuel Chemical Company
Garver
Generations Bank
George's, Inc
Gerdau Special Steel
Glad Manufacturing/ A Clorox Company
Goodwill Industries of Arkansas
Green Bay Packaging
Harrison Energy Partners
Highland Industrial Park
Highlands Oncology Group
Hino Motors Manufacturing USA, Inc.
ICOR Construction, LLC
International Paper Company
JTS Financial Services
Kinco Constructors, LLC
Koch Companies Public Sector, LLC
Kutak Rock LLP
Lanxess Corp.
LifePlus International
Little Rock Port Authority
Lyon College
Mainstream Technologies, Inc.
Majestic Steel USA
Martin Marietta Materials
McGriff Insurance Services
McKee Foods Corporation
Metropolitan Emergency
Medical Services (MEMS)
Merit Energy Company
Methodist Village Senior Living
Murphy USA
Nabholz Construction Services
Nelson Intelligence Solutions, LLC
NextEra Energy Resources, LLC
Pafford Medical Services, Inc.
Pain Treatment Centers of America
Parts Warehouse, Inc. /Replacement
Parts, Inc.
Pernod Ricard USA
Philander Smith College
Philip Morris International
PhRMA
Rausch Coleman Homes
Remington
Rheem Air Conditioning
Riceland Foods, Inc.
Ritter Communications
Roseberg Forest Products
Rubber & Gasket Company of America
S&H Systems
Simmons Bank
Simmons Foods, Inc.
Snyder Environmental
Southwest Power Pool
Southeast Arkansas Economic
Development District
Standard Lithium Ltd.
Stephens Inc.
Stone Bank
Suzano Packaging
Target Hospitality
TCPrint Solutions
The BridgeWay
The McLarty Companies
The Stephens Group, LLC
Tokai Carbon GE, LLC
Tokusen U. S. A. Inc.
UAMS
Uniti Group Inc.
U.S. Bank
U.S. Pizza Co. Inc.
W&W|AFCO Steel LLC
Waste Management of Arkansas
Weaver-Bailey Contractors Inc.
West Fraser, Inc.
White River Health
Winrock International
The Winthrop Rockefeller Foundation



ARKANSAS
STATE CHAMBER
OF COMMERCE



ASSOCIATED
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Business matters.