

"AN ACT TO AMEND ACT 48 OF 1987 TO DEFINE 'QUALIFIED MANUFACTURER OF STEEL; TO CLARIFY CERTAIN PROVISIONS OF THE ACT; AND FOR OTHER PURPOSES."

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

SECTION 1. Section 1 of Act 48 of 1987 is hereby amended by inserting the following language as subparagraph C, as follows:

"C. To claim the benefits of Section 4 of this Act a taxpayer must be certified pursuant to subparagraphs A and B of this Section 1, or obtain a certification from the Director of the Arkansas Department of Industrial Development certifying to the Arkansas Revenue Division that the taxpayer meets the definition of 'Qualified Manufacturer of Steel' contained herein. A 'qualified manufacturer of steel' is any natural person, company or corporation engaged in the manufacture, refinement or processing of steel whenever more than fifty percent (50%) of the electricity and/or more than fifty percent (50%) of the natural gas consumed in such manufacture, refinement or processing of steel is used (i) to power an electric arc furnace or furnaces, continuous casting equipment or rolling mill equipment in connection with the melting, continuous casting or rolling of steel; and/or (ii) in the preheating of steel for processing through a rolling mill or rolling mills."

SECTION 2. Section 4 of Act 48 of 1987 is hereby amended to read as follows:

"Section 4. Sales of natural gas and electricity to taxpayers qualified under Section 1 of this Act for use in connection with the steel mill shall be exempt from the Gross Receipts Tax levied by Act 386 of 1941, as amended (Ark. Stat. Ann. 84-1901 et seq.), and the Compensating (Use) Tax Act, Act 487 of 1949, as amended (Ark. Stat. Ann. 84-3101 et seq.), and any other state or local tax administered under those Acts. The benefits of the exemptions granted pursuant to this Section 4 shall become effective on and after September 1, 1988.

SECTION 3. Section 5 of Act 48 of 1987 is hereby amended to read as follows:

"Section 5. (A) The provisions of the Arkansas Enterprise Zone Act of 1983, Act 813 of 1982, as amended (Ark. Stat. Ann. 9-1701 et seq.), are hereby adopted by this Act. Taxpayers qualified under Section 1 of this Act shall claim the benefits provided by the Arkansas Enterprise Zone Act under this Act without regard for any amendment or repeal of the Arkansas Enterprise Zone Act, provided the taxpayer's business otherwise meets the requirements for claiming the benefits of the Arkansas Enterprise Zone Act.

(B) A taxpayer who qualifies pursuant to the certification provisions of Section 1 of this Act shall be entitled to the benefits of this Act only if such certification is issued by the Director of the Arkansas Department of Industrial Development prior to July 1, 1989.

(C) If any provision of this Act as amended or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are declared to be severable."

SECTION 4. REPEALER. All laws and parts of laws in conflict with this

Act are hereby repealed.

SECTION 5. EMERGENCY. Unemployment in Arkansas has reached emergency proportions and can only be remedied by attracting new industry and encouraging the expansion and further development of existing industry. Offering tax incentives is an effective method of attracting and encouraging the growth of industry in Arkansas. This Act is necessary to define the class of industry to which such economic incentives will be extended. The extension of such incentives will reduce unemployment levels in Arkansas. Therefore, an emergency is declared to exist and this Act, being necessary for the immediate preservation of the public peace, health and safety, shall be in full force and effect from and after its passage and approval.

APPROVED: 4/2/87

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