

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 84th General Assembly
3 Regular Session, 2003
4

As Engrossed: S4/1/03
A Bill

Act 1287 of 2003
SENATE BILL 363

5 By: Senators J. Bookout, Wooldridge, Bryles, Higginbothom, B. Johnson, Laverty
6 By: Representatives Cleveland, Boyd, Jones, Gillespie, P. Bookout
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8
9 **For An Act To Be Entitled**

10 AN ACT TO AMEND THE ARKANSAS CODE TO ADD AN
11 *ADDITIONAL SUBCHAPTER TO BE ENTITLED THE*
12 *BIODIESEL INCENTIVE ACT TO PROVIDE INCENTIVES FOR*
13 *BIODIESEL SUPPLIERS; TO PROVIDE INCENTIVES FOR*
14 *BIODIESEL PRODUCERS; AND FOR OTHER PURPOSES.*

15
16 **Subtitle**

17 *THE BIODIESEL INCENTIVE ACT.*
18
19

20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
21

22 *SECTION 1. Arkansas Code Title 15, Chapter 4, is amended to add an*
23 *additional subchapter to read as follows:*

24 *15-4-2801. Title.*

25 *This subchapter shall be known and may be cited as the "Biodiesel*
26 *Incentive Act".*

27
28 *15-4-2802. Definitions.*

29 *For the purpose of this subchapter:*

30 *(1) "Biodiesel fuel" means a renewable, biodegradable, mono*
31 *alkyl ester combustible liquid fuel derived from agricultural plant oils or*
32 *animal fats that meet the American Society for Testing and Material*
33 *Specification D6751-02 for Biodiesel Fuel, or B100, Blend Stock for*
34 *Distillate Fuels, as in effect on February 1, 2003;*

35 *(2) "Biodiesel producer" means a business located in the State*
36 *of Arkansas that uses agricultural crops, agricultural residues, or waste*



1 products to manufacture biodiesel fuels;

2 (3) "Commission" means the Alternative Fuels Commission; and

3 (4) "Supplier" means any person who:

4 (A) Is customarily in the wholesale business of offering
5 distillate special fuels or liquefied gas special fuels for resale or use to
6 any person in this state; and

7 (B) Makes bulk sales of fuel.

8
9 15-4-2803. Tax credit for biodiesel suppliers.

10 (a) There shall be allowed a credit against the income tax imposed by
11 the Income Tax Act of 1929, §§ 26-51-101 et seq., in an amount as determined
12 in subsection (b) of this section to a biodiesel supplier for the cost of the
13 facilities and equipment used directly in the wholesale or retail
14 distribution of biodiesel fuels.

15 (b) The amount of the credit allowed shall be equal to five percent
16 (5%) of the cost of the facilities and equipment.

17 (c) The costs of service contracts, sales tax, or acquisition of
18 undeveloped land shall not be included in determining the amount of the
19 credit.

20 (d)(1) No income tax credit shall be claimed by a supplier for any
21 facility or equipment which is in use on or before the certification of the
22 company for tax credits, or for which a tax credit was previously claimed by
23 a supplier for any other tax year.

24 (2) The provisions of this subsection (d) shall not apply if any
25 entity is sold and the entity is entitled to an income tax credit under this
26 chapter.

27 (3) The tax credit provided in subsection (b) of this section
28 may be carried forward for a period not to exceed three (3) years.

29
30 15-4-2804. Incentives for biodiesel producers.

31 (a) The Alternative Fuels Commission may provide grants not to exceed
32 ten cents (10¢) per gallon of biodiesel fuel produced by a biodiesel producer
33 who has met the qualifications prescribed by the Alternative Fuels Commission
34 under its regulations.

35 (b) The grants authorized by subsection (a) of this section shall be
36 limited to the first five million (5,000,000) gallons of biodiesel fuel

1 produced annually by a biodiesel producer qualified by the commission for a
2 period not to exceed five (5) years.

3 (c) The grants authorized by subsection (a) of this section shall be
4 disbursed from the Alternative Fuel Fund established under Act 120 of 2003
5 under the disbursement procedures to be established by the Department of
6 Finance and Administration.

7 (d) The commission shall not authorize grants that exceed, or may
8 expect to exceed, the balance of funds available, or expected to be
9 available, in the Alternative Fuel Fund.

10 (e) In the event the number of biodiesel producers qualified by the
11 commission exceeds the balance of funds available to allow each qualified
12 biodiesel producer to receive the maximum benefits under subsections (a) and
13 (b) of this section, the commission shall suspend the qualification of
14 additional biodiesel producers until such time as additional funds are
15 available.

16
17 15-4-2805. Rules and regulations.

18 The Alternative Fuels Commission shall promulgate regulations as
19 necessary to implement the provisions of this subchapter.

20
21 SECTION 2. This subchapter applies to tax years beginning on or after
22 January 1, 2003.

23
24 /s/ J. Bookout

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27 APPROVED: 4/14/2003