

1 State of Arkansas  
2 92nd General Assembly  
3 Regular Session, 2019  
4

# A Bill

HOUSE BILL 1985

5 By: Representative A. Davis  
6 By: Senator J. Dismang  
7

## For An Act To Be Entitled

9 AN ACT TO PROMOTE WATER RESOURCE CONSERVATION AND  
10 DEVELOPMENT; TO AMEND THE WATER RESOURCE CONSERVATION  
11 AND DEVELOPMENT INCENTIVES ACT; AND FOR OTHER  
12 PURPOSES.  
13

## Subtitle

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15 TO PROMOTE WATER RESOURCE CONSERVATION  
16 AND DEVELOPMENT; AND TO AMEND THE WATER  
17 RESOURCE CONSERVATION AND DEVELOPMENT  
18 INCENTIVES ACT.  
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21

22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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24 SECTION 1. Arkansas Code Title 26, Chapter 51, Subchapter 10, is  
25 amended to add an additional section to read as follows:

26 26-51-1015. Transfer of credit.

27 (a) The income tax credits allowed under this subchapter may be  
28 transferred.

29 (b) A transferee from an original approved applicant under this  
30 subchapter is entitled to an income tax credit under this subchapter only to  
31 the extent the income tax credit is still available to and has not previously  
32 been used by the transferor.

33 (c) A transferee of income tax credits under this subchapter that  
34 seeks to qualify for the income tax credits provided in this subchapter shall  
35 obtain and attach to the transferee's income tax return for the years the  
36 income tax credit is claimed a certified statement from the transferor



1 stating the:

2 (1) Name and address of the original purchaser and all  
 3 transferees;

4 (2) Tax identification number of all persons entitled to any  
 5 portion of the original income tax credit;

6 (3) Original date the income tax credit was approved;

7 (4) Amount of the income tax credit associated with the transfer  
 8 of the income tax credit;

9 (5) Original amount of the income tax credit; and

10 (6) Remaining amount of the income tax credit that is available  
 11 for use by the transferee.

12 (d) A transferee under this section is subject to the carry-over  
 13 provisions provided in this subchapter based on the taxable year in which the  
 14 income tax credit originated.

15 (e)(1) If a project is not completed or maintained for the total  
 16 number of years required under § 26-51-1011, the transferor that originally  
 17 received the income tax credit under this subchapter is responsible for  
 18 refunding the income tax credit to the Department of Finance and  
 19 Administration as provided in § 26-51-1011.

20 (2) The transferee of an income tax credit under this subchapter  
 21 is not liable for the repayment of the income tax credit allowed under this  
 22 subchapter if the transferor that originally received the income tax credit  
 23 fails to complete or maintain the project under § 26-51-1011.

24 (f) An owner or holder that assigns part or all of an income tax  
 25 credit under this section shall perfect the transfer by notifying the  
 26 Department of Finance and Administration in writing within thirty (30)  
 27 calendar days following the effective date of the transfer and shall provide  
 28 any information as may be required by the department to administer and carry  
 29 out this subchapter and to ensure proper tracking of the ownership of the  
 30 unused income tax credit.

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 32 SECTION 2. EFFECTIVE DATE. Section 1 of this act is effective for tax  
 33 years beginning on or after January 1, 2020.