

1 State of Arkansas
2 93rd General Assembly
3 Regular Session, 2021
4

A Bill

HOUSE BILL 1771

5 By: Representative S. Meeks
6

For An Act To Be Entitled

8 AN ACT TO CREATE AN INCOME TAX CREDIT FOR
9 IMPROVEMENTS OR ADDITIONS TO BROADBAND
10 TELECOMMUNICATIONS SERVICES IN CERTAIN AREAS; AND FOR
11 OTHER PURPOSES.
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Subtitle

14 TO CREATE AN INCOME TAX CREDIT FOR
15 IMPROVEMENTS OR ADDITIONS TO BROADBAND
16 TELECOMMUNICATIONS SERVICES IN CERTAIN
17 AREAS.
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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23 SECTION 1. Arkansas Code Title 26, Chapter 51, Subchapter 5, is
24 amended to add an additional section to read as follows:

25 26-51-515. Broadband telecommunications infrastructure.

26 (a) There is allowed an income tax credit against the income tax
27 imposed by this chapter equal to twenty-five percent (25%) of the amount a
28 taxpayer expends for the installation, construction, reconstruction or
29 erection of improvements to or additions of broadband telecommunications
30 infrastructure that result in the provision or expansion of broadband
31 telecommunications service that:

32 (1) Has a download speed of at least twenty-five (25) megabytes
33 per second and an upload speed of at least three (3) megabytes per second;
34 and

35 (2) Services unincorporated areas of the state or municipalities
36 in this state that have a population of less than ten thousand (10,000).



1 (b) The amount of the income tax credit under this section that may be
2 claimed by the taxpayer in a tax year shall not exceed the amount of income
3 tax due by the taxpayer.

4 (c) Any unused income tax credit under this section may be carried
5 forward for three (3) consecutive tax years following the tax year in which
6 the income tax credit was earned.

7 (d) The Department of Finance and Administration shall adopt rules to
8 implement this section, including without limitation rules regarding the
9 evidence required to prove the location of the improvements to or additions
10 of broadband telecommunications infrastructure and the speed of the broadband
11 telecommunications service provided.

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13 SECTION 2. EFFECTIVE DATE. Section 1 of this act is effective for tax
14 years beginning on or after January 1, 2022.

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16 SECTION 3. DO NOT CODIFY. Rules.

17 (a) When adopting the initial rules required under this act, the
18 Department of Finance and Administration shall file the final rules with the
19 Secretary of State for adoption under § 25-15-204(f):

20 (1) On or before January 1, 2022; or

21 (2) If approval under § 10-3-309 has not occurred by January 1,
22 2022, as soon as practicable after approval under § 10-3-309.

23 (b) The department shall file the proposed rules with the Legislative
24 Council under § 10-3-309(c) sufficiently in advance of January 1, 2022, so
25 that the Legislative Council may consider the rules for approval before
26 January 1, 2022.