

Stricken language would be deleted from present law. Underlined language would be added to present law.

1 State of Arkansas  
2 81st General Assembly  
3 Regular Session, 1997

## A Bill

ACT 421 OF 1997  
HOUSE BILL 1513

4  
5 By: Representative Sheppard  
6 By: Senator Mahony

### For An Act To Be Entitled

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8  
9 "AN ACT TO AMEND ARKANSAS CODE 26-51-1008 TO INCREASE THE  
10 MAXIMUM INCOME TAX CREDIT ALLOWED FOR USING SURFACE WATER  
11 INSTEAD OF GROUND WATER FOR INDUSTRIAL OR COMMERCIAL  
12 PURPOSES; TO INCREASE THE NUMBER OF YEARS ANY SUCH UNUSED  
13 TAX CREDIT MAY BE CARRIED FORWARD; AND FOR OTHER  
14 PURPOSES."

### Subtitle

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17 "INCREASE MAXIMUM INCOME TAX CREDIT  
18 ALLOWED FOR USING SURFACE WATER INSTEAD  
19 OF GROUND WATER FOR INDUSTRIAL OR  
20 COMMERCIAL PURPOSES; INCREASE NUMBER OF  
21 YEARS ANY SUCH UNUSED TAX CREDIT MAY BE  
22 CARRIED FORWARD."

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

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26 SECTION 1. Arkansas Code 26-51-1008 is amended to read as follows:

27 "§ 26-51-1008. Credit granted - Surface water conversion within critical  
28 areas.

29 (a) For projects located within critical groundwater areas, there shall  
30 be allowed as a credit against the tax imposed by the Income Tax Act of 1929,  
31 § 26-51-101 et seq., in an amount equal to fifty percent (50%) of the project  
32 cost incurred for the reduction of groundwater use by substitution of surface  
33 water for water used for industrial, commercial, agricultural, or recreational  
34 purposes.

35 (b)(1) The amount of the credit that may be used by a taxpayer for a  
36 taxable year may not exceed the lesser of the amount of individual or

1 corporate income tax otherwise due or nine thousand dollars (\$9,000) for  
2 projects using water for agricultural or recreational purposes and thirty  
3 thousand dollars (\$30,000) for projects using water for industrial or  
4 commercial purposes.

5 (2) Any unused tax credit may be carried over for a maximum of  
6 two (2) consecutive taxable years for projects using water for agricultural or  
7 recreational purposes and a maximum of four (4) consecutive taxable years for  
8 projects using water for industrial or commercial purposes following the  
9 taxable year in which the credit originated."

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11 SECTION 2. All provisions of this act of a general and permanent nature  
12 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code  
13 Revision Commission shall incorporate the same in the Code.

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15 SECTION 3. If any provision of this act or the application thereof to  
16 any person or circumstance is held invalid, such invalidity shall not affect  
17 other provisions or applications of the act which can be given effect without  
18 the invalid provision or application, and to this end the provisions of this  
19 act are declared to be severable.

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21 SECTION 4. All laws and parts of laws in conflict with this act are  
22 hereby repealed.

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APPROVED:3-10-97

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