

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: S3/20/03*

# A Bill

Act 993 of 2003  
SENATE BILL 154

5 By: Senators Wilkinson, Altes  
6 By: Representative Walters  
7

## For An Act To Be Entitled

10 AN ACT TO PROVIDE ECONOMIC STIMULUS TO THE COAL  
11 MINING INDUSTRY BY PROVIDING A TAX CREDIT TO  
12 MINING ENTERPRISES THAT MINE ARKANSAS COAL; AND  
13 FOR OTHER PURPOSES.  
14

## Subtitle

15 TO PROVIDE ECONOMIC STIMULUS TO THE COAL  
16 MINING INDUSTRY BY PROVIDING A TAX  
17 CREDIT TO MINING ENTERPRISES THAT MINE  
18 ARKANSAS COAL.  
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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
23

24 SECTION 1. Arkansas Code Title 26, Chapter 51, Subchapter 5 is amended  
25 to add an additional section to read as follows:

26 26-51-511. Coal mining, producing, and extracting.

27 (a) As used in this section:

28 (1) "Coal mining enterprise" means:

29 (A) An Arkansas taxpayer primarily engaged in surface or  
30 highwall mining, producing, or extracting coal in Arkansas; and

31 (B) A holder of a valid mining permit issued by the  
32 Arkansas Department of Environmental Quality to allow surface or highwall  
33 mining;

34 (2) "Eligible transferee" means any Arkansas taxpayer subject to  
35 the Income Tax Act of 1929, §§ 26-51-101 et seq., the premium tax imposed by  
36 § 23-75-119, or the premium tax imposed by § 23-63-1614; and



1           (3) "Taxpayer" means a coal mining enterprise or an eligible  
2 transferee.

3           (b)(1) There shall be allowed a credit against the income tax imposed  
4 by the Income Tax Act of 1929, §§ 26-51-101 et seq., the premium tax imposed  
5 by § 23-75-119, or the premium tax imposed by § 23-63-1614 in an amount as  
6 determined in subsection (c) of this section for a taxpayer.

7           (2) A credit allowed under this section shall expire after five  
8 (5) tax years following the tax year in which the tax credit was earned.

9           (c)(1)(A) A credit of two dollars (\$2.00) per ton of coal mined,  
10 produced, or extracted shall be allowed on each ton of coal mined in Arkansas  
11 by a coal mining enterprise in a tax year.

12           (B) An additional credit of three dollars (\$3.00) per ton  
13 of coal mined, produced, or extracted shall be allowed on each ton of coal  
14 mined in Arkansas in excess of fifty thousand (50,000) tons by a coal mining  
15 enterprise in a tax year.

16           (2) A credit under this section is earned only if the coal is  
17 sold to an electric generation plant for less than forty dollars (\$40.00) per  
18 ton excluding freight charges.

19           (3) At the election of the taxpayer, the credit may be treated  
20 as:

21                   (A) Payment of a tax;

22                   (B) Prepayment of a tax; or

23                   (C) Prepayment of an estimated tax.

24           (d)(1) The credits allowed under this section shall be freely  
25 transferable by written agreement to subsequent transferees at any time  
26 during the five (5) years following the year the credit was earned.

27           (2) A coal mining enterprise that has earned a credit under this  
28 section may transfer the credit in writing to an eligible transferee.

29           (3)(A) The coal mining enterprise and the eligible transferee  
30 shall jointly file a copy of the written credit transfer agreement with the  
31 Director of the Department of Finance and Administration within thirty (30)  
32 days of the credit transfer.

33                   (B) The written credit transfer agreement shall contain:

34                           (i) The name of the parties to the transfer;

35                           (ii) The amount of the credit transferred;

36                           (iii) The tax year that the credit was originally

1 earned by the coal mining enterprise; and

2 (iv) The tax year or years in which the credit may  
3 be claimed.

4 (C)(i) The Department of Finance and Administration shall  
5 promulgate rules and regulations to permit the verification of the validity  
6 and timeliness of a claimed tax credit that has been transferred under this  
7 subsection (d).

8 (ii) The rules and regulations shall not unduly  
9 restrict or hinder the transfers of credits under this section.

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11 SECTION 2. This act applies to tax years beginning on or after January  
12 1, 2004.

13  
14 /s/ Wilkinson

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17 APPROVED: 4/1/2003  
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