

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.

**Act 736 of the Regular Session**

1 State of Arkansas  
2 87th General Assembly  
3 Regular Session, 2009  
4

*As Engrossed: H3/16/09*

**A Bill**

HOUSE BILL 2230

5 By: Representative Webb  
6  
7

**For An Act To Be Entitled**

9 AN ACT TO AMEND ARKANSAS CODE TO ESTABLISH  
10 EMPLOYMENT AND INVESTMENT THRESHOLDS FOR  
11 COMPLIANCE FOR WINDMILL BLADE AND WINDMILL  
12 COMPONENT MANUFACTURERS; TO PROVIDE FOR  
13 INCENTIVES FOR WINDMILL BLADE AND COMPONENT  
14 MANUFACTURERS; AND FOR OTHER PURPOSES.  
15

**Subtitle**

16 TO PROVIDE INCENTIVES FOR WINDMILL BLADE  
17 AND COMPONENT MANUFACTURERS.  
18  
19  
20

21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
22

23 SECTION 1. Arkansas Code Annotated § 26-51-311 is amended to read as  
24 follows:

25 26-51-311. Qualified windmill blade manufacturing exemption.

26 (a) A qualified windmill blade manufacturer that meets the criteria  
27 found in subsection (b) of this section is exempt from income taxes levied  
28 under the Income Tax Act of 1929, § 26-51-101 et seq., until December 31,  
29 2033.

30 (b) A windmill blade manufacturer shall meet the following criteria in  
31 order to claim the income tax exemption provided in subsection (a) of this  
32 section:

33 (1) Shall be classified in the North American Industry  
34 Classification System (NAICS) Code 333611, as in effect January 1, 2007;

35 (2) Shall locate in the state ~~prior to~~ before December 31, 2007;



1 (3) Shall expend a minimum of one hundred fifty million dollars  
 2 (\$150,000,000) in the state within ~~four (4)~~ six (6) years of signing a  
 3 financial incentive agreement with the Arkansas Economic Development ~~Council~~  
 4 Commission; and

5 ~~(4) Shall hire a minimum of five hundred (500) employees in the~~  
 6 ~~state within two (2) years of signing a financial incentive agreement with~~  
 7 ~~the Arkansas Economic Development Council; and~~

8 ~~(5)(4)~~ Shall hire a minimum of one thousand (1,000) employees in  
 9 the state within ~~five (5)~~ six (6) years of signing a financial incentive  
 10 agreement with the Arkansas Economic Development ~~Council~~ Commission.

11 (c) If any of the criteria under subsection (b) of this section are  
 12 not met, the income tax exemption in subsection (a) of this section shall  
 13 expire in the year that the failure to meet any of the criteria for  
 14 qualification occurs.

15  
 16 SECTION 2. Arkansas Code Title 26, Chapter 51, Subchapter 3 is amended  
 17 to add an additional section to read as follows:

18 26-51-312. Qualified windmill blade and windmill component  
 19 manufacturing exemption.

20 (a) A qualified windmill blade or windmill component manufacturer that  
 21 meets the criteria under this section is eligible for a limited exemption  
 22 from the income taxes levied under the Income Tax Act of 1929, § 26-51-101 et  
 23 seq.

24 (b) To qualify for a limited exemption under this section from income  
 25 taxes, a windmill blade or windmill component manufacturer shall:

26 (1) Be classified in the North American Industrial  
 27 Classification System (NAICS) Code 333611 as in effect January 1, 2009;

28 (2) Locate in the state after January 1, 2008; and

29 (3) Sign a financial incentive agreement with the Arkansas  
 30 Economic Development Commission after January 1, 2008.

31 (c) The limited income tax exemption allowed under this section is  
 32 calculated based on the formula in subsection (d) of this section that  
 33 comprises the following variables:

34 (1) Investment;

35 (2) Job creation;

36 (3) Tier status; and

1           (4) Wages.

2           (d) The number of years that a limited income tax exemption is granted  
3 to a qualified windmill blade or windmill component manufacturer is  
4 calculated as follows:

5           (1) Divide the proposed number of jobs to be created by one  
6 thousand (1,000);

7           (2)(A) Multiply the number calculated under subdivision (d)(1)  
8 of this section by thirty-five one-hundredths (.35).

9           (B) The number calculated under subdivision (d)(2)(A) of  
10 this section is the weighting factor for job creation under (c)(2) of this  
11 section;

12           (3) Divide the proposed hourly wage by the lesser of the state  
13 or county average wage;

14           (4)(A) Multiply the number calculated under subdivision (d)(3)  
15 of this section times thirty-five one-hundredths (.35);

16           (B) The number calculated under subdivision (d)(4)(A) of  
17 this section is the weighting factor for wages under subdivision (c)(4) of  
18 this section;

19           (5) Divide the proposed investment amount by one hundred fifty  
20 million dollars (\$150,000,000);

21           (6)(A) Multiply the number calculated under subdivision (d)(5)  
22 of this section by twenty one-hundredths (.20).

23           (B) The number calculated under subdivision (d)(6)(A) of  
24 this section is the weighting factor for investment under subdivision (c)(1)  
25 of this section;

26           (7) Divide the tier number of the county in which the business  
27 locates by four (4);

28           (8)(A) Multiply the number calculated under subdivision (d)(7)  
29 of this section by ten one-hundredths (.10).

30           (B) The number calculated under subdivision (d)(8)(A) of  
31 this section is the weighting factor for tier status that is associated with  
32 location under subdivision (c)(3) of this section;

33           (9) Take the sum of the numbers in subdivisions (d)(2)(A),  
34 (d)(4)(A), (d)(6)(A), and (d)(8)(A) of this section and multiply the sum by  
35 twenty-five (25); and

36           (10) The number calculated in subdivision (d)(9) of this section

1 is the number of years of income tax exemption granted to the qualified  
2 windmill blade or windmill component manufacturer.

3 (e) If a qualified windmill blade or windmill component manufacturer  
4 that signs a financial incentive agreement with the Arkansas Economic  
5 Development Commission after January 1, 2008 has employed a minimum of one  
6 thousand (1,000) persons during the last year of the income tax exemption  
7 provided for in the initial signed financial incentive agreement with the  
8 Arkansas Economic Development Commission, then additional years of income tax  
9 exemption may be authorized by the Arkansas Economic Development Commission.

10 (f) An income tax exemption allowed by this section shall not exceed  
11 twenty-five (25) years from the year that the exemption is first granted.

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13 SECTION 3. This act is effective for tax years beginning on and after  
14 January 1, 2008.

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16 */s/ Webb*

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18 **APPROVED: 4/1/2009**