

**ARKANSAS SENATE**  
88th General Assembly - Regular Session, 2011  
**Amendment Form**

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**Subtitle of Senate Bill No. 896**

TO AMEND THE ARKANSAS TOURISM DEVELOPMENT ACT.

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**Amendment No. 1 to Senate Bill No. 896**

Amend Senate Bill No. 896 as originally introduced:

Delete everything after the enacting clause and substitute the following:

"SECTION 1. Arkansas Code § 15-11-503(3), concerning the definition of "approved costs" under the Arkansas Tourism Development Act, is amended to read as follows:

(3) "Approved costs" means:

(A) Obligations incurred for labor and to vendors, contractors, subcontractors, builders, suppliers, deliverymen, and materialmen in connection with the acquisition, construction, equipping, ~~and~~ installation, refurbishment, and renovation of a tourism attraction project;

(B) The costs of acquiring real property or rights in real property in connection with a tourism attraction project and any costs incidental thereto;

(C) The cost of contract bonds and insurance of all kinds that may be required or necessary during the course of the acquisition, construction, equipping, ~~and~~ installation, refurbishment, and renovation of a tourism attraction project ~~which that~~ is not paid by the vendor, supplier, deliveryman, contractor, or otherwise provided;

(D) All costs ~~of~~:

(i) Of architectural and engineering services, including, but not limited to, without limitation estimates, plans and specifications, preliminary investigations, and supervision of construction and installation, ~~as well as for; and~~

(ii) For the performance of all the duties required by or consequent to the acquisition, construction, equipping, and installation, refurbishment, and renovation of a tourism attraction project;

(E) All costs required to be paid under the terms of ~~any a~~ a contract for the acquisition, construction, equipping, ~~and~~ installation, refurbishment, and renovation of a tourism attraction project;

(F) All costs required for ~~the~~:

(i) The installation of utilities in connection with a tourism attraction project, including, but not limited to, without limitation water, sewer, sewage treatment, gas, electricity, and communications, ~~; and including off-site~~



(ii) Off-site construction of utility extensions paid for by the approved company; and

(G) All other costs comparable with those described in this section;

SECTION 2. Arkansas Code § 15-11-507(c)(3), concerning the tourism attraction project sales tax credit, is amended to read as follows:

(3) All issued credit memoranda shall expire at the end of the month following the expiration of the agreement as provided in § 15-11-506 except as provided in subsection (h) of this section; and

SECTION 3. Arkansas Code § 15-11-507, concerning the tourism attraction project sales tax credit, is amended to add additional subsections to read as follows:

(h)(1)(A) An approved company is entitled to an additional state sales tax credit if the company certifies to the Director of the Department of Finance and Administration that:

(i) The approved company has expended approved costs in connection with refurbishment or renovation of the tourism attraction project;

(ii) The refurbishment or renovation commenced before the end of the nine-year period stated under subdivision (c)(2)(B) of this section; and

(iii) The approved company has expended approved costs for refurbishment or renovation of the tourism attraction project in an amount equal to or in excess of twenty-five percent (25%) of the approved company's increased state sales tax liability in the aggregate for the total number of years between the completion of the tourism attraction project and the completion of the refurbishment or renovation of the tourism attraction project.

(B) Following an approved company's certification under subdivision (h)(1)(A) of this section, the Director of the Department of Finance and Administration shall issue an extension of the approved company's current sales tax credit memorandum, which shall:

(i) Allow any previously unused credits to be carried forward for an additional ten (10) years at the same percentage stated in the original sales tax credit memorandum; and

(ii)(a) Provide an additional credit to the approved company equal to a percentage of the approved costs of the refurbishment or renovation of the tourism attraction project.

(b) The percentage of approved costs used to determine the tax credit under the extension of the current sales tax credit memorandum shall be equal to the percentage of approved costs stated in the original sales tax credit memorandum.

(C) The sales tax credit memorandum shall not include an offset of the tourism tax levied under §§ 26-63-401 – 26-63-405.

(2) Subsequent requests for credit for additional certified approved costs shall be filed with the Department of Finance and Administration during the term of the agreement.

(3)(A) The Director of the Department of Finance and Administration may require proof of expenditures.

(B) Additional credit memoranda may be issued as the approved company certifies additional expenditures of approved costs.

(4) A sales tax credit memorandum shall not be issued for approved costs after the expiration of two (2) years from the date the extension was signed by the Director of the Arkansas Economic Development Commission and the approved company.

(i) The credit memorandum issued under subsection (h) of this section may be used to offset a portion of the reported state sales tax liability of the approved company for all sales tax reporting periods following the issuance of the credit memorandum, subject to the following conditions:

(1) Only increased state sales tax liability as defined in this subchapter and as established in the original credit memorandum issued under subsection (b)(1)(A) of this section may be offset by the issued credit;

(2) Unused credits may be carried forward for a period of ten (10) years from the date the extension was signed by the Director of the Arkansas Economic Development Commission and the approved company; and

(3) Except as provided in § 15-11-511, credit memoranda shall not be used to offset any tax other than state sales tax."

The Amendment was read the first time, rules suspended and read the second time and \_\_\_\_\_

By: Senator E. Williams

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Secretary