

1 State of Arkansas
2 93rd General Assembly
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4

A Bill

HOUSE BILL 1743

5 By: Representative C. Fite
6

For An Act To Be Entitled

8 AN ACT TO AMEND THE DIGITAL PRODUCT AND MOTION
9 PICTURE INDUSTRY DEVELOPMENT ACT OF 2009; TO CONVERT
10 THE REBATES UNDER THE DIGITAL PRODUCT AND MOTION
11 PICTURE INDUSTRY DEVELOPMENT ACT OF 2009 TO TAX
12 CREDITS; TO ALLOW FOR AN APPROVED AUDIT TO SUBSTITUTE
13 FOR THE DEPARTMENT OF FINANCE AND ADMINISTRATION
14 REVIEW; TO EXTEND THE SUNSET DATE FOR THE DIGITAL
15 PRODUCT AND MOTION PICTURE INDUSTRY DEVELOPMENT ACT
16 OF 2009; AND FOR OTHER PURPOSES.
17
18

Subtitle

19 TO AMEND THE DIGITAL PRODUCT AND MOTION
20 PICTURE INDUSTRY DEVELOPMENT ACT OF 2009.
21
22
23

24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
25

26 SECTION 1. Arkansas Code § 15-4-2003 is amended to read as follows:
27 15-4-2003. Definitions.

28 As used in this subchapter:

29 (1) "Application for ~~rebate~~ a tax credit" means the document
30 required by the Film Office to begin the process for obtaining a ~~rebate tax~~
31 credit under this subchapter;

32 (2) "Approved audit" means an audit that meets the criteria
33 stated in § 15-4-2013;

34 (3) "Approved auditor" means a person who meets the criteria
35 stated in § 15-4-2012;
36



1 ~~(2)(A)~~(4)(A) “Below-the-line employees” means employees involved
 2 with the production of a motion picture production, including without
 3 limitation:

- 4 (i) Casting assistants;
- 5 (ii) Costume design;
- 6 (iii) Gaffers;
- 7 (iv) Grips;
- 8 (v) Location managers;
- 9 (vi) Production assistants;
- 10 (vii) Set construction staff; and
- 11 (viii) Set design staff.

12 (B) “Below-the-line employees” does not include directors
 13 and producers;

14 (5) “Economically distressed county” means a county designated
 15 by the Arkansas Economic Development Commission as economically disadvantaged
 16 for the purpose of this subchapter;

17 ~~(3)(A)~~(6)(A) “Film and digital product” means video images or
 18 other visual media entertainment content.

19 (B) “Film and digital product” includes without
 20 limitation:

- 21 (i) Motion pictures;
- 22 (ii) Documentaries;
- 23 (iii) Long-form programs, specials, miniseries,
 24 series, music videos, and television programming;
- 25 (iv) Interactive television;
- 26 (v) Interactive games;
- 27 (vi) Video games;
- 28 (vii) Commercials;
- 29 (viii) Digital media created primarily for

30 distribution or exhibition to the general public; and

31 (ix) A trailer, pilot, video teaser, or demo created
 32 primarily to stimulate the sale, marketing, promotion, or exploitation of
 33 future investment in either a product or a qualified production through any
 34 means and media in a digital media format, film, or videotape if the program
 35 meets all the underlying criteria of a qualified production;

36 ~~(4)(7)~~ “Film Office” means the division of the Arkansas Economic

1 Development Commission charged with the responsibility of promoting and
 2 assisting the digital content industry in Arkansas in order to enhance
 3 Arkansas as a land of opportunity for digital and motion picture filmmaking;

4 ~~(5)(8)~~ “Financial institution” means any bank or savings and
 5 loan association in the state that carries Federal Deposit Insurance
 6 Corporation insurance;

7 ~~(6)(A)(9)(A)~~ “Highly compensated individual” means an individual
 8 who directly or indirectly receives compensation in excess of five hundred
 9 thousand dollars (\$500,000) for personal services with respect to a single
 10 production.

11 (B) An individual receives compensation indirectly when a
 12 production company pays a personal service company or an employee-leasing
 13 company that pays the individual;

14 ~~(7)(A)(10)(A)~~ “Postproduction” means a final stage in the
 15 production of digital content occurring after the action has been filmed or
 16 videotaped and involves editing and the addition of soundtracks.

17 (B) “Postproduction” includes without limitation editing,
 18 music, soundtracks, special effects, and credits;

19 ~~(8)(11)~~ “Postproduction costs” means all expenditures associated
 20 with the postproduction phase of a state-certified production within the
 21 state;

22 ~~(9)(A)(12)(A)~~ “Production” means the process of producing a type
 23 of entertainment content and includes film and digital product.

24 (B) “Production” shall not include:

25 (i) An ongoing program created primarily as news,
 26 weather, or financial market reports;

27 (ii) A production containing any material or
 28 performance that is obscene;

29 (iii) A production deemed an infomercial; or

30 (iv) Sexually explicit productions as defined in 18
 31 U.S.C. § 2257, as it existed on January 1, 2009;

32 ~~(10)(13)~~ “Production company” means a corporation, partnership,
 33 limited liability company, or other business entity engaged in the business
 34 of producing qualified productions and qualified by the Secretary of State to
 35 engage in business in the state;

36 ~~(11)(A)(14)(A)~~ “Qualified production costs” means costs

1 associated with the development, preproduction, production, or postproduction
2 of a qualified production within the state.

3 (B) "Qualified production costs" includes costs associated
4 with original music compositions produced by an Arkansas resident to be used
5 as incidental music, the score, or the soundtrack in film or video games.

6 (C) "Qualified production costs" includes the cost to
7 option or purchase intellectual property, including without limitation books,
8 scripts, music, or trademarks relating to the development or purchase of a
9 script, screenplay, or format if:

10 (i) The intellectual property was produced primarily
11 in Arkansas or the creator of the intellectual property is a resident of
12 Arkansas;

13 (ii) At least seventy-five percent (75%) of the
14 subsequent film or digital content is produced in Arkansas; and

15 (iii) The production expenses or costs for the
16 optioning or purchase are less than twenty-five percent (25%) of the
17 production expenses or costs incurred in Arkansas. The expenses or costs
18 include all expenditures associated with the optioning or purchase of
19 intellectual property, including option money, agent fees, and attorney's
20 fees relating to the transaction but do not include deferrals, deferments,
21 royalties, profit participation, or recourse or nonrecourse loans that the
22 eligible production company may negotiate in order to obtain the rights to
23 the intellectual property.

24 (D) "Qualified production costs" does not include:

25 (i) The optioning or purchase of intellectual
26 property that does not comply with the provisions of subdivision ~~(9)(A)~~
27 (12)(A) of this section;

28 (ii) Media buys, promotional events, or gifts or
29 public relations associated with the promotion or marketing of any qualified
30 production;

31 (iii) Deferred, leveraged, or profit participation
32 costs relating to any and all personnel associated with any and all aspects
33 of the production, including without limitation producer fees, director fees,
34 talent fees, and writer fees; and

35 (iv) Amounts paid to persons or businesses as a
36 result of their participation in profits from the exploitation of the

1 qualified production;

2 ~~(12)~~(15) “Resident” means natural persons and includes, for the
 3 purpose of determining eligibility for the ~~rebate incentive~~ tax credits
 4 provided by this subchapter, a person domiciled in Arkansas and any other
 5 person who maintains a permanent residence within the state and spends in the
 6 aggregate at least six (6) months of the taxable year within the state; ~~and~~

7 ~~(13)~~(16) “State-certified production” means a qualified
 8 production produced by an eligible production company that is:

9 (A) In compliance with established rules to this
 10 subchapter;

11 (B) Authorized by the Film Office to conduct business in
 12 this state; and

13 (C) Approved by the Director of the Arkansas Economic
 14 Development Commission as qualifying for a discretionary production ~~rebate~~
 15 tax credit under this subchapter-;

16 (17) “Veteran” means an individual who:

17 (A) Was honorably discharged from a tour of active duty,
 18 other than active duty for training only, with the United States Armed
 19 Forces; or

20 (B) Has served honorably in the National Guard or reserve
 21 forces of the United States Armed Forces for at least six (6) years,
 22 regardless of whether the individual has been discharged; and

23 (18) “Veteran-owned small business” means a business:

24 (A) With profits of less than one million dollars
 25 (\$1,000,000);

26 (B) In which at least one (1) veteran owns more than fifty
 27 percent (50%) of the business; and

28 (C) That has its principal place of business or its
 29 headquarters in Arkansas.

30
 31 SECTION 2. Arkansas Code § 15-4-2005 is amended to read as follows:
 32 15-4-2005. Production ~~rebate~~ tax credit.

33 (a)(1) The Director of the Arkansas Economic Development Commission
 34 may offer to a production company that has submitted an approved application
 35 under § 15-4-2007 a ~~rebate~~ tax credit of ~~up to~~ twenty percent (20%) on all
 36 qualified production costs in connection with the production of a state-

1 certified film project.

2 (2) If the director approves a project for a ~~rebate~~ tax credit
 3 under this section, an additional ~~rebate~~ tax credit of ten percent (10%)
 4 shall be granted for the payroll of below-the-line employees who are full-
 5 time residents of Arkansas.

6 (b) To qualify for this ~~rebate~~ tax credit, a production company shall
 7 spend at least two hundred thousand dollars (\$200,000) within a six-month
 8 period in connection with the production of one (1) project.

9 (c) A state-certified production shall be granted an additional tax
 10 credit of ten percent (10%) for:

11 (1) The payroll of below-the-line employees who are:

12 (A) Full-time residents of Arkansas; or

13 (B) Veterans;

14 (2) Expenditures disbursed:

15 (A) To a veteran-owned small business in connection with
 16 the state-certified production; or

17 (B) In an economically distressed county; or

18 (3) Participation in the Arkansas uplift promotion under § 15-4-
 19 2015.

20 (d) A production ~~rebate~~ tax credit shall not be processed until the
 21 production company has met in full all obligations to each Arkansas
 22 institution and vendor owed for products or services in the state.

23 (e) The maximum total tax credits that shall be claimed for an
 24 expenditure under this section is thirty percent (30%) of the expenditure.

25
 26 SECTION 3. Arkansas Code § 15-4-2006 is amended to read as follows:

27 15-4-2006. Postproduction ~~rebate~~ tax credit.

28 (a)(1) The Director of the Arkansas Economic Development Commission
 29 may offer tax credit of twenty percent (20%) to a qualifying production
 30 company that has submitted an approved application under § 15-4-2007 for a
 31 tax credit ~~a rebate of up to twenty percent (20%)~~ on all qualified production
 32 costs in connection with the postproduction of ~~a~~ approved state-certified
 33 film project.

34 (2) The tax credit under subdivision (a)(1) of this section is
 35 transferrable and shall be refunded to the approved applicant to the degree
 36 the tax credit exceeds the approved applicant's tax liability.

1 ~~(3) If the director approves a project~~ A state-certified
 2 production for a rebate under this section, shall be granted an additional
 3 ~~rebate tax credit~~ of ten percent (10%) ~~shall be granted for:~~

4 ~~(A) the~~ The payroll of below-the-line employees who are:

5 ~~(i) full-time~~ Full-time residents of Arkansas; ~~or~~

6 ~~(ii) Veterans; or~~

7 ~~(B) Expenditures disbursed:~~

8 ~~(i) To a veteran-owned small business in connection~~
 9 with the state-certified production; or

10 ~~(ii) In an economically distressed county.~~

11 (b) To qualify for this ~~rebate tax credit~~, a production company ~~must~~
 12 shall spend at least fifty thousand dollars (\$50,000) within a ~~six-month~~
 13 period of one (1) year in connection with the production of one (1) project
 14 or multiple projects that collectively total at least fifty thousand dollars
 15 (\$50,000).

16 (c) A postproduction ~~rebate tax credit~~ shall not be processed until
 17 the production company has met in full all obligations to each Arkansas
 18 institution and vendor owed for products or services in the state.

19 ~~(d) The maximum total tax credits that may be claimed for a qualified~~
 20 expenditure under this section is thirty percent (30%) of the qualified
 21 expenditure.

22
 23 SECTION 4. Arkansas Code § 15-4-2007(a)-(d), concerning an application
 24 for a rebate under the Digital Product and Motion Picture Industry
 25 Development Act of 2009, are amended to read as follows:

26 (a)(1) To apply for the ~~rebates tax credits~~ provided under this
 27 subchapter, a production company shall submit an application and provide an
 28 estimate of total expenditures to be made in Arkansas in connection with the
 29 production.

30 (2) The application and estimate of expenditures required under
 31 subdivision (a)(1) of this section shall be filed with the Arkansas Economic
 32 Development Commission and approved by the Director of the Arkansas Economic
 33 Development Commission as eligible for the ~~rebate tax credit~~ provided by this
 34 subchapter before the commencement of production in Arkansas.

35 (b)(1) If an application for a ~~rebate tax credit~~ is approved under
 36 subsection (a) of this section, the production company and the director shall

1 sign a financial incentive agreement.

2 (2)(A) The financial incentive agreement shall define the
3 incentives to be received and the start and end date of the project.

4 (B) The financial incentive agreement shall include the:

5 (i) Effective date of the financial incentive
6 agreement;

7 (ii) Term of the financial incentive agreement,
8 which shall be calculated from the date the agreement is signed by the
9 production company and the director;

10 (iii) Incentive for which the production company may
11 qualify;

12 (iv) Investment threshold requirements necessary to
13 qualify for eligibility;

14 (v) Production company's responsibilities for
15 certifying eligibility requirements; and

16 (vi) Production company's responsibilities for
17 failure to meet or maintain eligibility requirements.

18 (c) At the time the production company registers and provides the
19 estimate of expenditures to the commission, the production company also shall
20 designate a member or representative to work with the commission and the Film
21 Office on the reporting of expenditures and other information necessary to
22 qualify for the ~~rebates~~ tax credits.

23 (d) No later than one hundred eighty (180) days after the last
24 production expenses or costs are incurred in the production of a qualified
25 production, the production company shall:

26 (1) Apply to the commission for a production ~~rebate~~ tax-credit
27 certificate; ~~and~~

28 (2) Provide a final expenditure report that includes the amount
29 of the production company's production expenses or costs; and

30 (3) Attach a signed letter from an approved auditor stating
31 that:

32 (A) The final expenditure report has been audited; and

33 (B) All expenditures submitted in the final expenditure
34 report comply with this any rules promulgated under this subchapter.

35

36 SECTION 5. Arkansas Code § 15-4-2007(g)-(i), concerning an application

1 for a tax credit under the Digital Product and Motion Picture Industry
2 Development Act of 2009, are amended to read as follows:

3 (g) Payments for salaries or wages shall be eligible for the ~~rebate~~
4 tax credit if they are reported to the division and are subject to state
5 income taxes.

6 (h)(1) If approved by the director, the employment ~~rebate~~ tax credit
7 under subsection (g) of this section also entitles a state-certified
8 production to an additional ~~rebate~~ tax credit for employing full-time
9 residents of Arkansas.

10 (2) The employment ~~rebate~~ tax credit under subsection (g) of
11 this section authorizes an additional credit of ten percent (10%) for the
12 aggregate payroll of salaries and wages to Arkansas residents who are below-
13 the-line employees of the state-certified production.

14 (3) The veteran hire tax credit under §§ 15-4-2005 and 15-4-2006
15 also entitles a state-certified production to receive an additional tax
16 credit for employing veterans.

17 (i) If approved by the director, the ~~employment-rebate~~ tax credits
18 under subsections (g) and (h) of this section may include the first five
19 hundred thousand dollars (\$500,000) of a highly compensated individual's
20 salary.

21
22 SECTION 6. Arkansas Code § 15-4-2007(1)(1)(B), concerning weekly
23 reports a production company is required to file under the Digital Product
24 and Motion Picture Industry Development Act of 2009, is amended to read as
25 follows:

26 (B) Failure to file weekly expenditure reports may result
27 in a delay in the disbursement of the ~~rebates~~ tax credits provided in §§ 15-
28 4-2005 and 15-4-2006.

29
30 SECTION 7. Arkansas Code § 15-4-2007(n), concerning an application for
31 a rebate under the Digital Product and Motion Picture Industry Development
32 Act of 2009, is amended to read as follows:

33 (n)(1) Upon completion of filming or production, or both, in Arkansas,
34 the production company shall file an application for the ~~rebate~~ tax credit
35 allowed under this subchapter.

36 (2) The application for ~~rebate~~ a tax credit shall include a

1 proof of performance expenditure list that provides the total amount of
 2 expenditures that were made in the state in connection with the filming or
 3 production, or both, of a film and digital product that complies with this
 4 subchapter.

5 (3) When filing the application under subdivision (n)(1) of this
 6 section, The the production company shall provide documentation for
 7 expenditures in accordance with rules promulgated by the commission.:

8 (A) Provide a final expenditure report that includes the
 9 amount of the production company's production expenses or costs.; and

10 (B) Attach a signed letter from an approved auditor
 11 stating that:

12 (i) The final expenditure report has been audited;
 13 and

14 (ii) All expenditures submitted in the final
 15 expenditure report comply with this subchapter and any rules promulgated
 16 under this subchapter.

17
 18 SECTION 8. Arkansas Code § 15-4-2008 is amended to read as follows:
 19 15-4-2008. Disbursement of ~~rebate incentive~~ tax credit.

20 (a) Except as provided in subsection (d) of this section, The the
 21 Revenue Division of the Department of Finance and Administration shall upon
 22 receipt of an application for a ~~rebate~~ tax credit, including a proof of
 23 performance expenditure report from the Film Office:

24 (1) Calculate the total expenditures of the relevant production
 25 company for which there are documented receipts for funds expended in the
 26 state;

27 (2) Calculate the incentive benefit to which the applicant is
 28 entitled, subject to any conditions of the approved financial incentive
 29 agreement; and

30 (3) Provide certification to the Secretary of the Department of
 31 Finance and Administration specifying the amount to be remitted to the
 32 production company within one hundred twenty (120) days after the final
 33 expenditure report has been submitted.

34 (b) The secretary, within ten (10) working days after the receipt of
 35 the certification from the division, shall remit the ~~rebate~~ tax credit to:

36 (1) The production company; or

1 (2) At the option of the production company, the full amount or
 2 a specified amount noted by the production company to the:

- 3 (A) National Film Preservation Foundation;
- 4 (B) Motion Picture Retirement Fund; or
- 5 (C) Digital Product and Motion Picture Office Fund.

6 (c)(1) The amount of the ~~rebate~~ tax credit is limited to the amount
 7 specified in the approved financial incentive agreement.

8 (2) The ~~rebate~~ tax credit shall be awarded on a first-come,
 9 first-served basis.

10 ~~(3) Rebates to be awarded from the Digital Product and Motion~~
 11 ~~Picture Office Fund may be payable from any source of funds allocated for the~~
 12 ~~rebates.~~

13 (d)(1) Instead of the calculation under subsection (a) of this
 14 section, a production company of a state-certified production may, at its own
 15 expense, obtain an approved audit under § 15-4-2013 and attach a signed
 16 correspondence from an approved auditor stating that an approved audit has
 17 been conducted under § 15-4-2013.

18 (2)(A) The approved audit and the evidence of the approved audit
 19 are a sufficient substitute for the division's calculations under subsection
 20 (a) of this section.

21 (B) The division shall review the approved audit for
 22 accuracy and shall complete that review within ten (10) business days.

23 (e) Within ten (10) days after receiving the following documents from
 24 the production company, the department shall certify to the secretary the
 25 amount of money to be remitted to the production company:

26 (1) The application for a tax credit;

27 (2) Proof of performance expenditure report from the Film
 28 Office; and

29 (3) The signed correspondence from an approved auditor under
 30 subdivision (d)(1) of this section.

31
 32 SECTION 9. Arkansas Code § 15-4-2009 is amended to read as follows:
 33 15-4-2009. Penalties.

34 (a) A production company that intends to apply for the ~~rebate~~ tax
 35 credit and does not register as required by § 15-4-2004 may be enjoined from
 36 engaging in production activities in the state by any court of competent

1 jurisdiction until the production company has registered.

2 (b) A production company that intends to apply for the ~~rebate tax~~
3 credit incentives and fails to comply with this subchapter may be denied
4 future participation in this incentive program and shall be subject to
5 penalty in accordance with applicable state or federal law.

6
7 SECTION 10. Arkansas Code § 15-4-2011 is amended to read as follows:
8 15-4-2011. Sunset.

9 The opportunity ~~for a rebate to claim a tax credit~~ provided by this
10 subchapter ~~shall expire~~ expires on June 30, ~~2029~~ 2032.

11
12 SECTION 11. Arkansas Code Title 15, Chapter 4, Subchapter 20, is
13 amended to add additional sections to read as follows:

14 15-4-2012. Approved auditor.

15 (a) The Revenue Division of the Department of Finance and
16 Administration shall certify as an approved auditor a person who:

17 (1) Is a certified public accountant who has an active license
18 and is in good standing with the Arkansas State Board of Public Accountancy;

19 (2) Registers with the division to be listed as an approved
20 auditor under this section;

21 (3) Agrees to complete audits in accordance with this section
22 and any rules promulgated by the division;

23 (4) Successfully completes all training required by the
24 division; and

25 (5)(A) Pays a registration fee to the division.

26 (B) The division shall set the amount of the registration
27 fee under subdivision (a)(5)(A) of this section at an amount that, in the
28 aggregate, will offset the administrative expenses the division will incur
29 under this subchapter.

30 (b)(1) An approved auditor shall be independent from the production
31 company and any person or entity substantially related to the production
32 company for which an approved audit is being conducted.

33 (2) The independence required under subdivision (b)(1) of this
34 section shall be consistent with the provisions of the American Institute of
35 Certified Public Accountants Code of Professional Conduct, as they existed on
36 January 1, 2021.

1 (3) The Film Office shall determine whether an approved auditor
2 meets the requirements stated under subdivisions (b)(1) and (2) of this
3 section.

4 (c) An approved auditor shall submit an approved audit to the division
5 under § 15-4-2013.

6
7 15-4-2013. Approved audit.

8 The Revenue Division of the Department of Finance and Administration
9 shall promulgate rules to provide for an approved audit, which shall:

10 (1) Be completed in accordance with this section and with
11 procedures developed by the division;

12 (2)(A) Use sampling methods as directed by the division.

13 (B) If the division requires that a particular sampling
14 method or methods be used in an approved audit, the division shall:

15 (i) Determine the appropriate sample method and
16 size; and

17 (ii) Ensure that any sampling method required
18 accurately:

19 (a) Captures a representative sample of all
20 ineligible expenditures across all submitted expenditures; and

21 (b) Projects the type, rate, and amount of
22 ineligible expenditures across all submitted expenditures;

23 (3) Verify each reported expenditure that is included in the
24 approved audit;

25 (4) Identify and exclude each expenditure that does not meet the
26 conditions for the tax credit being claimed;

27 (5) Exclude any expenditure that does not meet the requirements
28 of this subchapter or that occurred after the application for the tax credits
29 was submitted;

30 (6) Publish on division's website:

31 (A) A regularly updated list of all approved auditors that
32 a production company may hire to conduct an approved audit under this
33 section;

34 (B) The application for a person to seek certification as
35 an approved auditor; and

36 (C) All requirements related to certification and

1 conducting an approved audit;

2 (7) Perform an audit of expenditures when, due to
 3 confidentiality of information, an approved auditor is unable to access
 4 necessary information that the division is able to access;

5 (8) Within ten (10) business days of receipt of an approved
 6 audit:

7 (A) Review the approved audit;

8 (B) Conduct the portions of the approved audit described
 9 in this section;

10 (C) Perform additional auditing as necessary;

11 (D) Adjust the value of the tax credit as necessary to
 12 comply with the this subchapter;

13 (E) Finalize the approved audit; and

14 (F) Issue the final certification of the tax credit to the
 15 taxpayer; and

16 (9) For an audit that the division conducts without an approved
 17 auditor:

18 (A) Complete the audit;

19 (B) Adjust the value of the tax credit as necessary to
 20 comply with the this subchapter; and

21 (C) Issue the final certification of the tax credit to the
 22 taxpayer in accordance with this section.

23
 24 15-4-2014. Tax credit.

25 (a)(1) The amount of the tax credits under this subchapter that may be
 26 claimed by a taxpayer in a tax year is transferrable and shall not exceed the
 27 amount of income tax due by the taxpayer.

28 (2) Any unused income tax credit under this subchapter may be
 29 carried forward for five (5) consecutive tax years following the tax year in
 30 which the tax credit was earned.

31 (b)(1) A tax credit provided for in this subchapter shall not be
 32 allowed, claimed, assigned, sold, transferred, or used in any manner by a
 33 production company until final certification is issued under § 15-4-2013.

34 (2) If a production company receives final certification under §
 35 15-4-2013, the tax credit shall be considered earned in the tax year in which
 36 the final certification was issued.

1 (c) Each year a production company claims or transfers a tax credit
2 under this subchapter, the production company shall attach a schedule to the
3 production company's Arkansas income tax return stating:

4 (1) The amount of tax credit claimed for the tax year;

5 (2) Any tax credit previously taken by the production company
6 against Arkansas income tax liabilities or the production company's quarterly
7 or monthly income-tax payments;

8 (3) The amount of tax credit carried over from prior years;

9 (4) The amount of tax credit used by the production company in
10 the current tax year; and

11 (5) The amount of tax credit to be carried over to subsequent
12 tax years.

13
14 15-4-2015. Arkansas uplift promotion.

15 (a) To qualify for a tax credit under § 15-4-2005 or § 15-4-2006 for
16 participating in the Arkansas uplift promotion, the state-certified
17 production company shall:

18 (1) Follow the designations of the Secretary of Department of
19 Parks, Heritage, and Tourism for the placement and type of graphic, or other
20 form of media, to promote Arkansas; or

21 (2) Offer alternative marketing opportunities to be evaluated by
22 the Department of Parks, Heritage, and Tourism to ensure that the alternative
23 marketing opportunities offer promotional value to the State of Arkansas that
24 is equal to or greater than if the production company followed the
25 designations under subdivision (a)(1) of this section.

26 (b) The secretary shall provide electronic certification to a state-
27 certified production company and to the Department of Finance and
28 Administration stating that requirements under subsection (a) of this section
29 have been met.

30 (c) The additional tax credit allowed under § 15-4-2005 or § 15-4-2006
31 for participating in the Arkansas uplift promotion shall not be issued until
32 the Film Office certifies that the state-certified production has been
33 commercially distributed in multiple markets within five (5) years of the
34 date that the state-certified production was first certified by the Film
35 Office.

36