

Arkansas Public Roads Improvements Tax Credit Program Act
(Act 1347 of 1999)

Public Roads Project

Rules & Regulations

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I. Introduction

In order to facilitate the construction of specific capital improvement projects, Act 1347 of 1999, the Arkansas Public Roads Improvements Credit Act was passed by the 82nd General Assembly of the State of Arkansas. The Arkansas Economic Development Commission (AEDC) has the authority to administer the program under the Act.

The goal of ~~this the~~ program is to provide an income tax credit incentive to any individual, fiduciary, or corporation subject to Arkansas state income tax to make contributions in aid of the construction of public roads through the Public Roads Incentive Fund. ~~by providing an income tax credit based on the amount of the taxpayer's contribution.~~

~~For additional information contact:
Incentives Manager
Arkansas Economic Development Commission
900 West Capitol
Little Rock, AR 72201
(501) 682-1682~~

II. Definitions

- A. "Capital improvements" means capital improvements for public roads.
- B. "Contribution" means a contribution in aid of construction of a public road project made by a taxpayer to the Public Roads Incentive Fund.
- C. "Contribution in aid of construction" is a direct contribution of cash made by a taxpayer for public road improvements.
- D. "County" means any county in the State of Arkansas.
- E. "~~Department~~Commission" means the Department of Arkansas Economic Development Commission.
- F. "Director" is the ~~d~~Director of the Arkansas Department of Economic Development

Commission.

- G. "Fund" means the Public Roads Incentive Fund.
- H. "Governing Authority" means the quorum court of a county, the governing body of a municipality, and the Arkansas State Highway Commission.
- I. "Municipality" means any city or incorporated town in the State of Arkansas.
- J. "Project" means all, any combination or any part of the capital improvements for public roads, which are authorized by a governing authority and approved by the director.
- K. "Public roads" means roads maintained by a governing authority.
- L. "Taxpayer" includes any individual, fiduciary, or corporation subject to Arkansas State Income Tax.

III. To ~~Qualify for~~ Contribute to the Public Roads Incentive Fund Program

A. Contributions

- 1. Eligible contributors include any ~~taxpayer individual, fiduciary, or corporation~~ subject to Arkansas state income tax that contributes to the Public Roads Incentive Fund of the Arkansas ~~Department of Economic Development~~ Commission.
- 2. The Public Roads Incentive Fund shall consist of contributions made by taxpayers for public roads projects approved by the ~~D~~director, and any other funds as are designated or deposited to the fund bylaw.
- 3. Each taxpayer that contributes to the Public Roads Incentive Fund may make a general contribution or may designate a project for which the contribution is earmarked. When donations are made for dedicated projects, a separate account will be established. ~~Any contributions which remain in the separate account when a project is completed or terminated shall be held and applied to other public roads projects in such manner as the Director shall direct.~~
- 4. To contribute to the Public Roads Incentive Fund, the taxpayer must send ~~an a~~ completed application and a contribution ~~to for~~ the Public Roads Incentive Fund to the ~~Department of Arkansas~~ Economic Development Commission. An application can be obtained by contacting the AEDC Incentives ~~Manager~~Coordinator at the ~~Department of Economic Development~~.

5. The contribution will be transmitted to the Treasurer of the State for deposit into the Public Roads Incentive Fund.

B. Applicants

1. Governing authorities may apply to the ~~D~~director of AEDC for funding assistance for capital improvement projects for public roads, as provided by Act 1347 of 1999. The ~~D~~director is authorized to approve capital improvements for funding assistance upon a finding that a project is in the public interest and that there are sufficient dedicated project funds, when combined with the requested funds from the Public Roads Incentive Fund, to complete the project.
2. Applicants must provide documentation that there are sufficient dedicated project funds available, when combined with the amount requested from the Public Roads Incentive Fund, to complete the improvement project.
3. The application, endorsement resolution, and project plan ~~(see Attachment)~~ must be sent to AEDC for review. An application may be obtained by contacting the AEDC Incentives Manager.:

~~Arkansas Economic Development Commission
Incentives Manager
900 West Capitol
Little Rock, AR 72201~~

4. The application must include:

- (a) A city or county endorsement resolution ~~(also known as an endorsement resolution)~~ or a copy of a minute order from the Arkansas State Highway and Transportation Department Commission.
- (b) A completed application ~~filled out completely~~ with a project plan.
- (c) Send above to AEDC for processing Documentation of sufficient dedicated project funds to complete the improvement project.

IV. Powers and Duties of the ~~Department of Arkansas~~ Economic Development Commission

- A. The ~~D~~director of the ~~Department of Arkansas~~ Economic Development Commission will determine whether or not the project is in the public interest and whether or not there are sufficient dedicated project funds, when combined with the requested funds from the Public Roads Incentive Fund, to complete the project. If the director determines that the project is in the public interest and that sufficient funding is available, the governing authority will be informed and a sub-account will be established for the project.

- B. Any project that is submitted to ~~the Department AEDC~~ for approval will have to be fully funded before ~~the Department AEDC~~ will release of funds for the project. ~~Applicants must provide documentation that there are sufficient dedicated project funds available, when combined with the amount requested from the Public Roads Incentive Fund, to complete the improvement project.~~
- C. ~~However, if the project is terminated before completion, any~~ Any contributions additional funds which remain remaining in a ~~the~~ project account after a project is completed or terminated will be held and ~~distributed-~~ applied to other public roads projects approved by the Director.
- D. A separate account will be established for each project, and contributions specified for a project shall be applied to that account, ~~approved by the Director of the Department.~~ The Director is authorized to assist the governing authority in obtaining assistance from any other department of state government. When sufficient funds are accumulated for a particular project, the Director will authorize the release of funds for the project.

V. Administration of Benefits

Eligible taxpayers will be entitled to a state income tax credit that may be applied in any tax year after January 1, 1999. ~~Contributions are to be sent to the Department of Economic Development.~~

The credit shall be determined in the following manner:

- A. The credit is limited to an amount not to exceed 33% of the taxpayer's contribution;
- B. In any one (1) tax year, the credit allowed shall not exceed ~~50%~~ 100% of the taxpayer's net Arkansas state income tax liability ~~after all other credits and reductions in tax have been calculated~~; and
- C. Any credit over ~~50~~100% of the taxpayer's net Arkansas state income tax liability for any one (1) tax year may be carried forward and applied against Arkansas state income tax for the next-succeeding tax year (subject to the same terms as in "B." above) and annually thereafter for a total period of ~~three-ten~~ (310) years next-succeeding the year in which the credit arose or until the credit is exhausted, whichever occurs first.
- D. The Department of Arkansas Economic Development Commission will issue a letter certifying the amount contributed to the Public Roads Incentive Fund. This certification must be attached to the taxpayers' income tax return in order to claim the credit.

1 State of Arkansas
2 93rd General Assembly
3 Regular Session, 2021

A Bill

SENATE BILL 481

4
5 By: Senator J. Dismang
6

For An Act To Be Entitled

8 AN ACT TO AMEND THE ARKANSAS PUBLIC ROADS
9 IMPROVEMENTS CREDIT ACT; TO INCREASE THE USE OF THE
10 PROGRAM CREATED UNDER THE ARKANSAS PUBLIC ROADS
11 IMPROVEMENTS CREDIT ACT BY MAKING IT EASIER TO USE
12 THE TAX CREDIT PROVIDED UNDER THE ACT; AND FOR OTHER
13 PURPOSES.
14

Subtitle

15
16
17 TO INCREASE THE USE OF THE PROGRAM
18 CREATED UNDER THE ARKANSAS PUBLIC ROADS
19 IMPROVEMENTS CREDIT ACT BY MAKING IT
20 EASIER TO USE THE TAX CREDIT PROVIDED
21 UNDER THE ACT.
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23

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

26 SECTION 1. Arkansas Code § 15-4-2306(b), concerning the tax credit
27 allowed under the Arkansas Public Roads Improvements Credit Act, is amended
28 to read as follows:

29 (b) The credit shall be determined in the following manner:

30 (1) The credit ~~is limited to an amount not to exceed~~ shall be
31 calculated as thirty-three percent (33%) of the taxpayer's contribution;

32 (2) In any one (1) tax year, the credit allowed by this section
33 ~~shall not exceed fifty percent (50%)~~ offset up to one hundred percent (100%)
34 of the net Arkansas state income tax liability of the taxpayer ~~after all~~
35 ~~other credits and reductions in tax have been calculated;~~ and

36 (3) Any credit in excess of the amount allowed by subdivision



1 (b)(2) of this section for any one (1) tax year may be carried forward and
2 applied against any Arkansas state income tax liability for the next-
3 succeeding tax year and annually thereafter for a total period of ~~three (3)~~
4 ten (10) years next succeeding the year in which the credit arose, subject to
5 the provisions of subdivision (b)(2) of this section or until the credit is
6 exhausted, whichever occurs first.

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8 SECTION 2. EFFECTIVE DATE. Section 1 of this act is effective for tax
9 years beginning on or after January 1, 2020.

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12 **APPROVED: 4/12/21**
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