



Michael Preston
Secretary of Commerce,
Executive Director
Arkansas Economic
Development Commission

October 28, 2021

Senator Kim Hammer & Representative Les Eaves
Co-Chairs
Arkansas Legislative Council
One Capitol Mall, 5th Floor
Little Rock, AR 72201

Re: Act 595 Status Report

Dear Senator Hammer and Representative Eaves:

As required by Act 595 of 2021, the Arkansas Economic Development Commission submits the following status report concerning the promulgation of rules applicable to acts of the regular session of the 93rd General Assembly:

1. Act 967 – Railroad Modernization Act of 2021

Act 967 creates the Railroad Modernization Tax Credit Program that allows an income tax credit for eligible expenditures made by a railroad company for certain railroad track improvement projects specified in the act. AEDC must promulgate a new rule to administer the program as required by the Act.

Status: A proposed new rule is being drafted by the agency.

2. Act 594 – Logging and Wood Fiber Transportation Job Creation Incentive Act

Act 594 creates the Logging and Wood Fiber Transportation Job Creation Incentive Program. The program allows a new tax credit on qualified equipment purchases related to qualified wood energy product and forest maintenance projects. AEDC must promulgate a new rule to administer the incentive program as outlined in Act 594.

Status: A proposed new rule is being drafted by the agency.

3. Act 522 – Arkansas Military Affairs Council Act

Act 522 creates the Arkansas Military Affairs Council Act and codifies the existing Military Affairs Grant Program administered by AEDC. The agency will promulgate an amended rule to conform the existing rule to Act 522.

Status: A proposed rule has been drafted; AEDC has begun the rule promulgation process.

4. Act 628 – Act to Amend the Arkansas Public Roads Improvements Tax Credit Program

Act 628 amends the Arkansas Public Roads Improvements Tax Credit Program administered by AEDC. The agency will promulgate an amended rule to conform the existing rule to Act 628.

Status: A proposed amended rule has been drafted; AEDC has begun the rule promulgation process.

5. Act 797 – To Amend the Digital Product & Motion Picture Industry Development Act of 2009

Act 797 amends the existing Digital Product & Motion Picture Incentive Program, administered by AEDC, to allow the incentive to a qualified production company be taken as either a rebate or as a tax credit. The agency will promulgate an amended rule to conform the existing rule with Act 797.

Status: A proposed amended rule is being drafted by the agency.

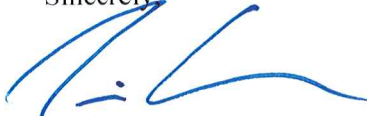
6. Act 895 – To Amend the Law Governing the Income Tax Credit for Waste Reduction, Reuse, or Recycling Equipment

Act 895 amends the InvestARK program, administered by AEDC under the Consolidated Incentive Act of 2003, to extend the date by which a company must incur project cost for a retention tax credit. The agency will promulgate an amended rule to conform the existing rule to Act 895.

Status: A proposed amended rule is drafted and is being reviewed by DFA.

Please advise if you or any other members have any questions about this report.

Sincerely,



Jim Hudson

Deputy Director – Operations & General Counsel