



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

December 20, 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 has been drafted by the agency and is being reviewed by DFA and industry representatives.

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.

Status: After further review of Act 594, AEDC has determined that a rule is not required for Act 594. The act does not explicitly confer rulemaking authority on AEDC, and the text of the act is sufficiently specific to enable AEDC and DFA to administer the tax credit program.

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: Rule promulgation has been completed.

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: Rule promulgation has been completed.

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 has been drafted by the agency and is being reviewed by DFA.

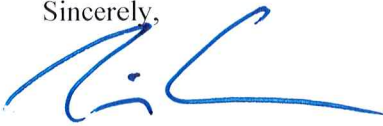
6. Act 911 – To Amend the Definition of Project Costs under the Consolidated Incentives Act

Act 911 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 911.

Status: A proposed amended rule is drafted and is being reviewed by the Governor's Office.

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

Sincerely,



Jim Hudson
Deputy Director – Operations & General Counsel