



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

March 1, 2022

Senator Kim Hammer, Senate Chair
Representative Les Eaves, House Chair
Arkansas Legislative Council
Administrative Rules Subcommittee
5th Floor, Room-L-513
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: An emergency rule has been promulgated. The agency has begun promulgating a permanent version of the rule under the Administrative Procedures Act.

2. Act 522 – Arkansas Military Affairs Council Act

Act 522 created the Arkansas Military Affairs Council Act and codifies the existing Military Affairs Grant Program administered by AED. The agency has promulgated an amended rule to conform the existing rule to Act 522.

Status: Rule promulgation has been completed.

3. 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.

4. 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: AEDC has begun the promulgation process for this rule.

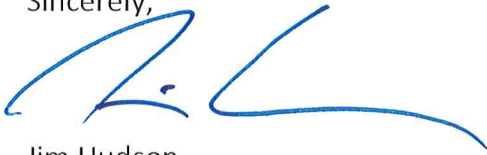
5. Act 895 – To Amend the Law Governing the Income Tax Credit for Waste Reduction, Reuse, or Recycling Equipment

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: AEDC has begun the promulgation process for this rule.

I continue to serve as the point of contact for AEDC concerning Act 595 reporting and promulgation of the identified rules.

Sincerely,



Jim Hudson
AEDC – General Counsel
Department of Commerce – Chief of Staff

cc: Rebecca Miller-Rice