



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

April 1, 2022

Senator Kim Hammer, Senate Chair  
Representative Les Eaves, House Chair  
Arkansas Legislative Council  
Administrative Rules Subcommittee  
5<sup>th</sup> 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 93<sup>rd</sup> 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. A proposed rule is expected to be reviewed at the April subcommittee meeting.

**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: A proposed rule is expected to be reviewed at the April subcommittee meeting.

**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.

Status: A proposed amended rule is expected to be reviewed at the April subcommittee meeting.

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

Sincerely,



Jim Hudson  
Commerce – Chief of Staff  
AEDC – General Counsel

cc: Rebecca Miller-Rice