

HOUSE AMENDMENT 1 TO sb322.

deleting "site-construction" from line 13 on page 2 and substituting therefor "site, construction"

AND

by deleting lines 25 and 26 on page 2 and substituting therefor "(iii) The costs associated with subdivisions (C)(i) and (C)(ii) eligible for the income tax credit shall not include salaries and wages of the employees being"

AND

by deleting "tests of" from line 19 on page 3 and substituting therefor "tests or"

AND

by deleting lines 29 through 33 on page 3 and substituting therefor "(10) Credit year means the tax year in which costs are incurred."

AND

by deleting lines 5 through 7 on page 4 and substituting therefor:

"(b) The amount of the credit allowed shall be equal to five percent (5%) of the cost of such facility.

(c) The cost of service contracts, sales tax and acquisition of undeveloped land shall not be included in determining the amount of the credit.

(d) No income tax credit shall be claimed by any taxpayer for any facility or equipment which is in use on the effective date of this act, or for which a tax credit was previously claimed by any other taxpayer for any other tax year. Provided, however, that the provisions of this subdivision shall not apply if any entity is sold and the entity is entitled to an income tax credit under this act."

AND

by deleting lines 9 through 22 on page 4

AND

by inserting "income" on line 24 on page 4 between the words "the" and "tax"

AND

by deleting "(c)" from line 26 on page 4 and substituting therefor "(b)"

AND

by deleting lines 1 and 2 on page 5 and substituting therefor "business of biotechnology for the cost of qualified research in biotechnology,"

AND

by inserting "income" on line 15 on page 5 between "the" and "tax"

AND

by deleting "(1)" from line 15 on page 5

AND

by deleting from line 16 on page 5 "subdivision (b)(2)" and substituting therefor "subsection (c)"

AND

by deleting "allowed" from line 17 on page 5 and substituting therefor "originated"

AND

by deleting lines 23 through 32 on page 5 and substituting therefor "(c)(1) In the event it is determined that any taxpayer receiving the benefits under this act has failed to comply with the conditions contained herein, that taxpayer shall be liable for the payment of such additional income taxes as may be due after the income tax credits provided for in this act are disallowed, plus penalty and interest."

(2) In accordance with Arkansas Code 26-18-208(2)(B), there shall be added to the original tax due a penalty of one percent (1%) of the additional tax due for not more than one (1) month, with an additional one percent (1%) for each additional month or fraction thereof, from the original due date of the tax year in questions until date of payment not to exceed thirty-five percent (35%) in the aggregate.

(3) In accordance with Arkansas Code 26-18-508, interest shall be assessed at ten

percent (10%) per annum from the date the original tax would have been due until date of payment."

AND

by inserting on line 33 on page 5 an additional subsection to read as follow:

"(d) A taxpayer who receives a credit under this act for the purchase of machinery or equipment shall not be entitled to claim any other state or local tax credit or deduction based on the purchase of the machinery or equipment, except the deduction for normal depreciation."

AND

by deleting lines 11 through 20 on page 6 and substituting therefor

"SECTION 8. (a) To claim the benefits of this act, a taxpayer must obtain certification from the Director of the Arkansas Industrial Development Commission certifying to the Revenue Division of the Department of Finance and Administration that the taxpayer is engaged in qualified research in biotechnology.

(b) The Arkansas Industrial Development Commission, or its successor, shall promulgate regulations as necessary to administer this act. These rules or regulations may include, but are not limited to, the establishment of technical specifications and requirements for information and documentation for taxpayers seeking a credit under this act.

(c) In order to determine eligibility for the credit or to insure that the facility or equipment is being utilized in the required manner, each agency shall have the right to inspect facilities and records of a taxpayer requesting or receiving a credit under this act."