

ARKANSAS SENATE
86th General Assembly - Regular Session, 2007
Amendment Form

Subtitle of Senate Bill No. 586

"TO REMOVE THE ELIGIBILITY REQUIREMENT OF BEING LOCATED IN A HIGH
UNEMPLOYMENT COUNTY TO QUALIFY AS AN ELIGIBLE COMPANY FOR THE
"ARKANSAS TOURISM DEVELOPMENT ACT" AND TO ADJUST THE AMOUNT OF TAX
CREDIT."

Amendment No. 1 to Senate Bill No. 586.

Amend Senate Bill No. 586 as originally introduced:

Page 1, delete lines 10 through 15 and substitute the following:
"AN ACT TO ADJUST THE AMOUNT OF TAX CREDIT UNDER THE "ARKANSAS TOURISM
DEVELOPMENT ACT";"

AND

Page 1, delete lines 19 through 24 and substitute the following:
"AN ACT TO ADJUST THE AMOUNT OF TAX CREDIT UNDER THE "ARKANSAS TOURISM
DEVELOPMENT ACT"."

AND

Delete everything after the enacting clause and substitute the following:

“SECTION 1. Arkansas Code §15-11-505 is amended to read as follows:
15-11-505. Standards for preliminary and final approval of companies
and projects.

(a) The Director of the Department of Economic Development shall
establish standards for final approval of eligible companies and their
projects by the promulgation of administrative regulations in accordance with
the Arkansas Administrative Procedure Act, § 25-15-201 et seq.

(b) The Director of the Department of Economic Development shall
obtain the review and advice of the Director of the Department of Parks and
Tourism prior to designating an entity as an approved company eligible for
the tourism incentive.

~~(b)~~(c) The director may give approval by designating an eligible
company as an approved company and authorizing the undertaking of the tourism
attraction project.

~~(c)~~(d) The director shall review the information that has been made



available to the director in order to determine whether the tourism attraction project will further the purposes of this subchapter.

~~(d)~~(e) The criteria for final approval of eligible companies and tourism attraction projects shall include, but shall not be limited to, the criteria set forth in § 15-11-504(c).

~~(e)~~(f) After a review of the relevant materials, other information made available to the director, ~~and~~ the completion of other inquiries, and the review and advice of the Director of the Department of Parks and Tourism, the director may give final approval to the eligible company's application for a tourism attraction project and may grant the approval to the eligible company in the form of a financial incentive agreement.

SECTION 2. Arkansas Code §15-11-510(a), concerning special rules for certain lodging facilities, is amended to read as follows:

(a) A lodging facility may qualify as a tourism attraction project, as defined in § 15-11-503, entitled to the benefits of this subchapter even though the lodging costs represent one hundred percent (100%) of the total project costs, provided:

(1) ~~the~~ The approved costs for the lodging facility exceed five million dollars (\$5,000,000); ~~and~~

~~(1)~~(2) The lodging facility is attached to a convention center containing a minimum of seventy-five thousand square feet (75,000 sq. ft.); ~~or.~~

~~(2) The lodging facility contains a minimum of twelve thousand square feet (12,000 sq. ft.) of meeting or exhibit space.~~

SECTION 3. Arkansas Code § 15-11-511, concerning special rules for qualified amusement parks, is amended to add an additional subsection to read as follows:

(d)(1) Notwithstanding the other provisions of this subchapter, a qualified amusement park that on or after January 1, 2006, enters into an agreement that provides that the qualified amusement park shall expend approved costs of more than one million dollars (\$1,000,000) shall be entitled to a sales tax credit if the qualified amusement park certifies to the Director of the Department of Finance and Administration that it has expended at least one million dollars (\$1,000,000) in approved costs and the Director of the Department of Economic Development certifies that the qualified amusement park is in compliance with this subchapter.

(2) The Director of the Department of Finance and Administration shall then issue a sales tax credit memorandum to the qualified amusement park equal to twenty-five percent (25%) of the approved costs. The sales tax credit memorandum may be used to offset the liability of the qualified amusement park for:

(A) Gross receipts tax levied under the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq.; and

(B) Tourism gross receipts tax levied under § 26-52-1001 et seq.

(3) The Director of the Department of Finance and Administration may require proof of expenditures.

(4) Additional credit memoranda may be issued as the qualified amusement park certifies additional expenditures of approved costs.

(5)(A) No sales tax credit memorandum shall be issued for any

approved costs expended after the expiration of two (2) years from the date the agreement was signed by the Director of the Department of Economic Development and the qualified amusement park.

(B) However, the Director of the Department of Economic Development, with the advice and consent of the Director of the Department of Finance and Administration, may authorize sales tax credits for approved costs expended up to four (4) years from the date the agreement was signed if the Director of the Department of Economic Development determines that the failure to complete the tourism attraction project within two (2) years resulted from:

(i) Unanticipated and unavoidable delay in the construction of the tourism attraction project;

(ii) The tourism attraction project, as originally planned, will require more than two (2) years to complete; or

(iii) A change in business ownership or business structure resulting from a merger or acquisition.

(6) The credit memorandum issued pursuant to subdivision (d)(2) of this section may be used to offset one hundred percent (100%) of the reported state tax liability as provided in subdivision (d)(2) of this section of the qualified amusement park for all sales tax reporting periods following the issuance of the credit memorandum, subject to the following limitations:

(A) Unused credits may be carried forward for a period of nine (9) years; and

(B) All issued credit memoranda shall expire at the end of the month following the expiration of the agreement as provided in § 15-11-506.

(7) The approved company shall have no obligation to refund or otherwise return any amount of this credit to the person from whom the sales tax was collected.

(8) By April 1 of each year, the Director of the Department of Finance and Administration shall certify to the Director of the Department of Economic Development the state sales tax liability of the qualified amusement parks receiving inducements under this section and the amount of state sales tax credits taken during the preceding calendar year.

SECTION 4. Effective date. Section 3 of this act shall apply retroactively to July 1, 2006.”

The Amendment was read the first time, rules suspended and read the second time and _____

By: Senator T. Smith

MMC/RCK - 03-15-2007 15:15

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Secretary