

Stricken language will be deleted and underlined language will be added.

INTERIM STUDY PROPOSAL 2009-223

State of Arkansas
87th General Assembly
First Extraordinary Session, 2010

A Bill

Call Item ##
MMC/CDS
SENATE BILL

By: Senator Altes

Filed with: Senate Committee on Revenue and Taxation
pursuant to A.C.A. §10-3-217.

For An Act To Be Entitled

AN ACT TO PROVIDE AN INCOME TAX CREDIT FOR A
BUSINESS OR INDIVIDUAL THAT PURCHASES RENEWABLE
RESOURCE EQUIPMENT; AND FOR OTHER PURPOSES.

Subtitle

TO PROVIDE AN INCOME TAX CREDIT FOR A
BUSINESS OR INDIVIDUAL THAT PURCHASES
RENEWABLE RESOURCE EQUIPMENT.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code Title 26, Chapter 51, Subchapter 5 is amended
to add an additional section to read as follows:

26-51-513. Renewable resource equipment.

(a) As used in this section:

(1) "Biomass" means waste plant and animal matter but does not
include a fossil fuel;

(2) "Purchase" means a transaction in which the title to an item
of tangible personal property is transferred for consideration;

(3)(A) "Purchase price" means the amount of consideration,
including cash and credit, that is paid for an item of tangible personal
property.

(B) "Purchase price" does not include a discount or
coupon, installation or delivery charge, credit for a trade-in, a tax legally

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1 imposed, or interest, financing, or carrying charge from credit extended on
2 the sale;

3 (4) "Renewable resource" means a solar resource, wind resource,
4 geothermal resource, biomass resource, waste heat recovery resource, water
5 resource, or waste water resource; and

6 (5) "Renewable resource equipment" means a system, component of
7 a system, mechanism or series of mechanisms, support service, or a
8 combination of these items that use a renewable resource as a source of
9 energy or that offsets or replaces the consumption of traditional energy
10 sources, including without limitation, electricity or natural gas.

11 (b)(1) A taxpayer is allowed an income tax credit against the income
12 tax imposed by the Income Tax Act of 1929, § 26-51-101 et seq., for the
13 purchase of renewable resource equipment that is placed in service during the
14 taxable year.

15 (2) The amount of the income tax credit is twenty percent (20%)
16 of the purchase price of the renewable resource equipment.

17 (c) The amount of the income tax credit under this section that may be
18 claimed by the taxpayer in a tax year shall not exceed the amount of income
19 tax due by the taxpayer.

20 (d) The Department of Finance and Administration shall promulgate
21 rules to implement this section.

22
23 SECTION 2. Section 1 of this act is effective for tax years beginning
24 on or after January 1, 2009.