

# A Bill

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6 By: Senator E. Williams

7 Filed with: Interim Senate Committee on Agriculture, Forestry and Economic Development  
8 pursuant to A.C.A. §10-3-217.

## 9 For An Act To Be Entitled

10 AN ACT TO AMEND THE ARKANSAS TOURISM DEVELOPMENT ACT;  
11 AND FOR OTHER PURPOSES.

### 12 13 14 Subtitle

15 TO AMEND THE ARKANSAS TOURISM DEVELOPMENT  
16 ACT.

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

20  
21 *SECTION 1. Arkansas Code § 15-11-503(3), concerning the definition of*  
22 *"approved costs" under the Arkansas Tourism Development Act, is amended to*  
23 *read as follows:*

24 (3) "Approved costs" means:

25 (A) *Obligations incurred for labor and to vendors,*  
26 *contractors, subcontractors, builders, suppliers, deliverymen, and*  
27 *materialmen in connection with the acquisition, construction, equipping, ~~and~~*  
28 *installation, refurbishment, and renovation of a tourism attraction project;*

29 (B) *The costs of acquiring real property or rights in real*  
30 *property in connection with a tourism attraction project and any costs*  
31 *incidental thereto;*

32 (C) *The cost of contract bonds and insurance of all kinds*  
33 *that may be required or necessary during the course of the acquisition,*  
34 *construction, equipping, ~~and~~ installation, refurbishment, and renovation of a*  
35 *tourism attraction project ~~which~~ that is not paid by the vendor, supplier,*  
36 *deliveryman, contractor, or otherwise provided;*

1 (D) All costs ~~of~~:

2 (i) Of architectural and engineering services,  
3 ~~including, but not limited to,~~ without limitation estimates, plans and  
4 specifications, preliminary investigations, and supervision of construction  
5 and installation, ~~as well as for; and~~

6 (ii) For the performance of all the duties required  
7 by or consequent to the acquisition, construction, equipping, ~~and~~  
8 installation, refurbishment, and renovation of a tourism attraction project;

9 (E) All costs required to be paid under the terms of ~~any a~~  
10 contract for the acquisition, construction, equipping, ~~and~~ installation,  
11 refurbishment, and renovation of a tourism attraction project;

12 (F) All costs required for ~~the~~:

13 (i) The installation of utilities in connection with  
14 a tourism attraction project, including, but not limited to, without  
15 limitation water, sewer, sewage treatment, gas, electricity, and  
16 communications, ~~and including off-site~~

17 (ii) Off-site construction of utility extensions  
18 paid for by the approved company; and

19 (G) All other costs comparable with those described in  
20 this section;

21  
22 SECTION 2. Arkansas Code § 15-11-507(c)(3), concerning the tourism  
23 attraction project sales tax credit, is amended to read as follows:

24 (3) All issued credit memoranda shall expire at the end of the  
25 month following the expiration of the agreement as provided in § 15-11-506  
26 except as provided in subsection (h) of this section; and

27  
28 SECTION 3. Arkansas Code § 15-11-507, concerning the tourism  
29 attraction project sales tax credit, is amended to add additional subsections  
30 to read as follows:

31 (h)(1)(A) An approved company is entitled to an extension of the state  
32 sales tax credit if the company certifies to the Director of the Department  
33 of Finance and Administration that:

34 (i) The approved company has expended approved costs  
35 in connection with refurbishment or renovation of the tourism attraction  
36 project;

1                   (ii) The refurbishment or renovation commenced  
2 before the end of the nine-year period stated under subdivision (c)(2)(B) of  
3 this section; and

4                   (iii) The approved company has expended approved  
5 costs for refurbishment or renovation of the tourism attraction project in an  
6 amount equal to or in excess of twenty-five percent (25%) of the approved  
7 company's increased state sales tax liability in the aggregate for the total  
8 number of years between the completion of the tourism attraction project and  
9 the completion of the refurbishment or renovation of the tourism attraction  
10 project.

11                   (B) Following an approved company's certification under  
12 subdivision (h)(1)(A) of this section, the Director of the Department of  
13 Finance and Administration shall issue an extension of the approved company's  
14 current sales tax credit memorandum, which shall allow any previously unused  
15 credits to be carried forward for an additional five (5) years at the same  
16 percentage stated in the original sales tax credit memorandum.

17                   (C) The sales tax credit memorandum shall not include an  
18 offset of the tourism tax levied under §§ 26-63-401 – 26-63-405.

19                   (2) The Director of the Department of Finance and Administration  
20 may require proof of expenditures.

21                   (i) The credit memorandum issued under subsection (h) of this section  
22 may be used to offset a portion of the reported state sales tax liability of  
23 the approved company for all sales tax reporting periods following the  
24 issuance of the credit memorandum, subject to the following conditions:

25                   (1) Only increased state sales tax liability as defined in this  
26 subchapter and as established in the original credit memorandum issued under  
27 subsection (b)(1)(A) of this section may be offset by the issued credit;

28                   (2) Unused credits may be carried forward for a period of five  
29 (5) years from the date the extension was signed by the Director of the  
30 Arkansas Economic Development Commission and the approved company; and

31                   (3) Except as provided in § 15-11-511, credit memoranda shall  
32 not be used to offset any tax other than state sales tax.

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34                   /s/E. Williams

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36 Referred by the Arkansas Senate

1 Prepared by: JLL/VJF

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