

2 State of Arkansas  
3 89th General Assembly  
4 Regular Session, 2013

# A Bill

DRAFT JLL/LNS  
HOUSE BILL

5  
6 By: Representative D. Altes

7 Filed with: Arkansas Legislative Council  
8 pursuant to A.C.A. §10-3-217.

## 9 For An Act To Be Entitled

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

## 13 Subtitle

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15 TO PROVIDE AN INCOME TAX CREDIT FOR A  
16 BUSINESS OR INDIVIDUAL THAT PURCHASES  
17 RENEWABLE RESOURCE EQUIPMENT.  
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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

25 26-51-515. Renewable resource equipment.

26 (a) As used in this section:

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

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

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

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

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 uses 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 allowed under  
16 subdivision (b)(1) of this section is twenty percent (20%) of the purchase  
17 price of the renewable resource equipment.

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

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

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24 SECTION 2. Effective Date. Section 1 of this act is effective for tax  
25 years beginning on or after January 1, 2013.

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33 Referral requested by: Representative Denny Altus

34 Prepared by: JLL/LNS