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INTERIM STUDY PROPOSAL 2013-144  
As Engrossed: H3/26/13 H4/17/13

# A Bill

State of Arkansas  
89th General Assembly  
Regular Session, 2013

HOUSE BILL 1981

By: Representative Sabin

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

## For An Act To Be Entitled

AN ACT TO AMEND AND EXPAND THE ARKANSAS CENTRAL  
BUSINESS IMPROVEMENT DISTRICT REHABILITATION AND  
DEVELOPMENT INVESTMENT TAX CREDIT ACT; AND FOR OTHER  
PURPOSES.

### Subtitle

TO AMEND AND EXPAND THE ARKANSAS CENTRAL  
BUSINESS IMPROVEMENT DISTRICT  
REHABILITATION AND DEVELOPMENT INVESTMENT  
TAX CREDIT ACT.

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

*SECTION 1. Arkansas Code § 26-51-2407 is amended to read as follows:  
26-51-2407. Investment tax credits.*

*(a) There is allowed an investment tax credit against the tax imposed  
by the Income Tax Act of 1929, § 26-51-101 et seq., for any taxpayer  
incurring costs and expenses that are qualified rehabilitation or development  
expenditures of eligible central business improvement district property.*

*(b) The investment tax credit is equal to twenty-five percent (25%) of  
qualified rehabilitation or development expenditures incurred for a qualified  
project up to the first\**

*~~(1) Five hundred thousand dollars (\$500,000) two million dollars~~  
~~(\$2,000,000) on income-producing property or nonincome-producing property; or~~*

1           ~~(2) Two hundred thousand dollars (\$200,000) on nonincome-~~  
2 ~~producing property.~~

3           (c)(1) The investment tax credit for a qualified project covering  
4 income-producing eligible central business improvement district property  
5 shall be taken in the tax year in which the eligible central business  
6 improvement district property is placed in service.

7           (2) The investment tax credit for a qualified project covering  
8 residential eligible central business improvement district property or other  
9 nonincome-producing eligible central business improvement district property  
10 shall be taken in the tax year the qualified project is completed.

11           ~~(d) A taxpayer who receives an investment tax credit under this~~  
12 ~~section shall not claim any other state or local tax credit or deduction~~  
13 ~~based on the qualified rehabilitation or development expenditures except for~~  
14 ~~the deduction for normal depreciation of the eligible central business~~  
15 ~~improvement district property.~~

16           ~~(e)(1)~~ (d)(1) The Department of Finance and Administration shall  
17 maintain an ongoing record of the eligibility certificates awarded each  
18 fiscal year.

19           (2)(A) The department shall only issue investment tax credits up  
20 to ~~one million dollars (\$1,000,000)~~ five million dollars (\$5,000,000) in any  
21 one (1) fiscal year on a first-come, first-served basis.

22                           (B) Beginning July 1, 2015, the department shall only  
23 issue investment tax credits up to ten million dollars (\$10,000,000) in any  
24 one (1) fiscal year on a first-come, first-served basis.

25  
26           SECTION 2. Arkansas Code § 26-51-2412(a), concerning the effective  
27 date of the Arkansas Central Business Improvement District Rehabilitation and  
28 Development Investment Tax Credit Act, is amended to read as follows:

29           ~~(a)(1) This subchapter takes effect only if the Chief Fiscal Officer~~  
30 ~~of the State certifies that sufficient funding for this subchapter is~~  
31 ~~available in the General Improvement Fund is effective July 31, 2013.~~

32           ~~(2) If the Chief Fiscal Officer of the State certifies that~~  
33 ~~sufficient funding for this subchapter is available in the fund, this~~  
34 ~~subchapter is effective for tax years beginning on and after January 1 of the~~  
35 ~~year following the certification and continues for a period of two (2) years.~~

