EXHIBIT D1-a

State Comparisons of Assorted Tax Credits

Arkansas Tax Reform and Relief Legislative Task Force

October 29, 2018

Arkansas Department of Finance and Administration

DFA Arkansas Department of Finance and Administration

Waste Reduction & Recycling Equipment

Waste Reduction & Recycling Equipment

	Arkansas	Louisiana	Kentucky
About	• Businesses purchasing and installing equipment for reduction, reuse, & recycling of solid waste for commercial purposes.	• Taxpaying entities who purchase qualified new recycling manufacturing or process equipment, and/or qualified service contracts	• A taxpayer who purchases recycling and/or composting equipment to be used in Kentucky for recycling or composting post-consumer waste materials
Percentages	• Tax credit = 30% of eligible equipment and installation costs.	• may be eligible for a tax credit of 14.4% credit	• credit up to 50% of the installed cost of the equipment
Tax Type	• State income tax credits	• income and corporation franchise taxes	• Corporate Income tax credit and limited liability entity tax credit
Carry forward	• Carry forward of 3 years.	• Unused credits may be carried forward until exhausted	• Credits are limited to 10 years and in each taxable year,
		• Taxpayer may claim 20% of the amount of the total credit allowable per year, up to 50% of the total tax liability	
		• used exclusively to produce finished products from >50% post-consumer waste material in the state of Louisiana.	

Waste Reduction & Recycling Equipment

	South Carolina	Georgia	Virginia
About	• A taxpayer who is constructing or operating a qualified recycling facility	• Companies that invest in at least $50K worth of recycling equipment, pollution control or in converting a defense plant manufacturing facility to a new product	• Businesses purchasing machinery & equipment used predominantly on the premises of mfg facilities or units which manufacture, process, compound, or produce items of tangible personal property from recyclable material for sale
Percentages	• is allowed a thirty percent credit of the taxpayer's investment in recycling property during the taxable year	• tax credits of 3% to 8% of their cap	• will receive credit equal to 20% of the price of the machinery/equipment.
Tax Type	• used to reduce any corporate income tax, sales or use tax, or corporate license fees	• 8%: mfg or telecom support facility existing in a tier 1 county for the previous 3 years 5%: same criteria in a tier 2 county 3%: same criteria in a tier 3 or 4 county	• income tax credits
Carry forward	• carried forward until the credit is exhausted	• Credit can be used to offset up to 50% of income tax liability in any given year with a 10-year carryforward	• May offset up to 40% of income tax per year, w/ 10-year carryforward.
			• Maximum $2M in total credits per fiscal year.

Waste Reduction & Recycling Equipment

	North Carolina	Oklahoma	Alabama
About	• Businesses that purchase or lease machinery and equipment for a major recycling facility (at least $300M investment and at least 250 new jobs)		• Applies to new & existing facilities including recycling facilities under NAICS codes 56292 (materials recovery facilities), 462213 (solid waste combustors), and 56291 (remediation services)
Percentages	• may receive credits = 50% of capital costs.	• 20% of the costs to purchase and install recycling, reuse or source reduction of hazardous waste and the storage of such waste	• Existing industry projects: companies must invest the lesser of 30% of the original costs of the currently existing industrial property or $2M.
Tax Type	• Corporate income and franchise tax credits	• Income tax credit	• Cities, counties and public industrial authorities have the ability to abate the sales & use taxes, construction transaction taxes, and property taxes for new and expanding projects with a variety of activities.
Carry forward	• Credits may be carried forward for 25 years.	• Credits must be taken within 3 years of installation and initial use of the facility.	• Companies may be granted an abatement of the non-educational portion of city, county or state property taxes for up to 20 years.
		• Tax credits may not exceed $50K during a period of any three consecutive tax years.	

Tourism Development

Tourism Development Credit

	Arkansas	Mississippi	Kentucky
About	• Project must target at least 25% out-of-state visitors and have a significant economic impact on the state.	• tax rebate	• Developers can recover up to 25% of the project's $1,000,000 minimum cost
Additional Information	• Income tax credits up to 4% of the payroll of the FT permanent new jobs	• 80% of eligible tax collections will be rebated to the applicant	• $500,000 minimum project development cost can recover 30% of development cost
	• state income tax credit and sales and use tax	• sales tax	• sales tax incentive
	• Carry forward of 9 years.	• period of 15 years or until the applicant has recouped 30% of the total project cost- whichever occurs first.	• Lodging facilities constructed on state parks, federal park or national forest lands may recover up to 50% of the development costs over a 20-year term.
	• Sales tax credits are based upon a percentage of project costs: 25% of project costs in high unemployment counties and 15% in all other counties (excluding tourism tax).	•Eligible projects expending $10M include: water parks; cultural and historic education sites and centers; public golf courses and marinas; motor speedways; theme parks; entertainment parks or outdoor adventure parks; and attractions of natural phenomena or scenic beauty.	

Tourism Development Credit

	Georgia	South Carolina	Oklahoma
About	• Tourism attractions include cultural/historical sites; recreation/entertainment facilities; a convention hotel & conference center; auto race tracks w/ other tourism amenities; golf course facilities w/ other tourism amenities; marinas & water parks with lodging & restaurant facilities; or a GA crafts & products center.	• Major tourism or recreational facilities investing $20M in a designated development area may capture a portion of admissions taxes for infrastructure improvements.	• Qualified projects can receive a state sales tax credit up to 25% of the qualified costs spent for the development /expansion of a Tourism Attraction Project, if the program is revenue neutral to the state
Additional Information	• A minimum of 25% of visitors from out-of-state for each year after the third year of operation.	• Investment period is five years.	• project must attract at least 25% of visitors from nonresidents,
	• annual sales and use tax	• sales taxes	• Sales tax
	• 10-year sales and use tax refunds for new projects or an incremental sales & use tax refund for expansions of existing tourism attractions.	• New facilities may retain 25% for county/muni and 25% for state infrastructure funded costs. Existing facilities may retain only eligible taxes on new admissions to new facilities	• cost >$500K, have a significant & positive economic impact on the state and be revenue-neutral
	•Spend >$1M in approved costs	• Taxes may be retained for up to 15 years.	• 10 year carry forward
			• A project between $500K and $1M earns sales tax credits up to 10% of approved costs if revenue-neutral. Projects >$1M earn sales tax credits up to 25% of approved costs if revenue-neutral. Cumulative credits shall not exceed $15M/year.

Historic Rehabilitation

Historic Rehabilitation Credit

	Arkansas	Tennessee	Texas
Description	• Tax credit is equal to 25% of total qualified rehabilitation expenses on the first $1,600,000 expenses on income-producing property or $100,000 of qualified rehabilitation expenses on nonincome-producing property.	• A 20% tax credit is available for the rehabilitation of historic, income-producing buildings	• A tax credit for up to 25 % of eligible costs and expenses relating to the certified rehabilitation of certified historic structures
Additional Information		• must meet the "substantial rehabilitation test," which means you must spend the adjusted value of the building or $5000, whichever is greater.	• eligible costs and expenses incurred by the entity that establishes the credit must exceed $5,000
Transferrable/ Sold	• Credit is transferrable		• Transferrable/ Sold
Carry Forward	• 5 years carry forward	• unused tax credit can be carried back one year and carried forward 20 years	• carried forward up to 5 years
Tax Type	• Income Tax or Premium Tax	• Income Tax	• franchise tax or Premium Tax
Cap	• $4,000,000 cap		

Historic Rehabilitation Credit

	Louisiana	Mississippi
Description	• The Credit is for 25% of the eligible costs and expenses of the rehabilitation incurred prior to January 1, 2018 and 20% for eligible costs and expenses incurred on or after January 1, 2018	• A credit is available in an amount equal to 25% of the total costs and expenses for the rehabilitation.
Additional Information	• The tax credit is limited to one credit per rehabilitated structure and cannot exceed $18,500 per structure	• A projects's rehabilitation expenditures must exceed $5,000 or 50% of the basis of the building
Transferrable/ Sold		• cannot be discounted and sold
Carry Forward	• 5 years carry forward	• be carried forward for up to ten years
Tax Type	• Income Tax	• Income Tax
Cap	• $5,000,000 cap	• $12,000,000 cap

Historic Rehabilitation Credit

	Missouri	Alabama
Description	• The program provides state tax credits equal to 25% of eligible costs and expenses of the rehabilitation of approved historic structures.	• The credit is equal to 25% of the qualified rehabilitation expenditures for certified historic structures
Additional Information	• The costs and expenses associated with the rehabilitation must exceed 50% of the total basis of the property (acquisition cost)	• No tax credit claimed for any certified rehabilitation may exceed $5,000,000 for all allowable property types except a certified historic residential structure, and $50,000 for a certified historic residential structure.
Transferrable/ Sold	• Transferrable/ Sold	• refundable and transferrable
Carry Forward	• can be carried back 3 years, carried forward 10 years	• cannot be carried forward
Tax Type	• Income tax (excluding withholding tax) Bank Tax, Insurance Premium Tax, and other Financial Institution Tax	• Income Tax
Cap		• As of January 1, 2018, the aggregate amount shall be twenty million dollars ($20,000,000) per year.

Water Resource Tax Credits

Water Resource Conservation and Development

	Arkansas	Alabama	South Carolina
History	An income tax credit equal to 50% of the cost of construction and installation or restoration of water impoundments or water control structures of twenty (20) acre feet or more designed for the purpose of storing water to be used primarily for agricultural, commercial, or industrial purposes. There is also a tax credit equal to 10% for projects outside critical groundwater areas, and 50% for projects within critical groundwater areas, of the cost incurred for the reduction of ground water used by substitution of surface water for water used in industrial, commercial, agricultural, or recreational purposes. A tax credit equal to 10% of the project cost incurred for agricultural land leveling to conserve irrigation water. The amount of credit used for any taxable year may not exceed $9,000 per project.	An income tax credit is allowed to any agricultural trade or business for the cost associated with the purchase, installation or conversion related to irrigation systems or the development of irrigation reservoirs and water wells. The credit is equal to 20% of the cost of the purchase and installation of any qualified irrigation equipment and any conversion costs related to the conversion of irrigation equipment from fuel to electricity or qualified reservoirs.	An income tax credit is allowed for 25% of all allowable expenditures, to a maximum of $2,500 in each tax year, for the construction and installation or restoration of ponds, lakes, and other water impoundments, and water control structures designed for the purposes of water storage for irrigation, water supply, sediment control, erosion control or aquiculture and wildlife management.
Transferrable	Credit is not transferrable	Credit is not transferrable	
Limitation	Water Impoundment - 15 years carry forward Land Leveling - 2 years carry forward Surface Water Conversion (inside and outside critical area) - 2 years carry forward	5 years carry forward	5 years carry forward
Tax Type	Income Tax	Income Tax	Income Tax

Low Income Housing Credit

Low Income Housing Credit

	Arkansas	Louisiana	Texas
History	An income tax credit for taxpayer owning an interest in a qualified low income building which is approved through the Arkansas Development Finance Authority. The tax credit is computed by multiplying the Federal Low Income Housing Tax Credit for the qualified project by 20%. The credit may not exceed the income tax otherwise due.	The tax credit is a credit against regular tax liability for investments in affordable housing properties constructed, acquired and rehabilitated after 1986. The amount of credits to which a project is eligible is based on the amount of qualified development costs incurred and the percentage of low-income units within the development. The LIHTC is received each year for 10 years.	The HTC Program is one of the primary means of directing private capital toward the development and preservation of affordable rental housing for low-income households. There are two types of HTCs: 9% HTC and 4% HTC.
Transferrable	Credit is transferrable		
Limitation	5 years carry forward		
Tax Type	Income or Premium Tax	Federal Income Tax	Federal Income Tax

Low Income Housing Credit

	Florida	Tennessee	Georgia
History	The Housing Credit (HC) program provides for-profit and nonprofit organizations with a dollar-for-dollar reduction in federal tax liability in exchange for the acquisition and substantial rehabilitation, substantial rehabilitation, or new construction of low and very low income rental housing units. Credit rates include: new construction, 9%; substantial rehabilitation, 9%; acquisition, 4%; and federally subsidized, 4%. A Housing Credit allocation to a development can be used for 10 consecutive years once the development is placed in service.	The Low-Income Housing Tax Credit is a credit against federal income tax liability each year for 10 years for owners and investors in low-income rental housing. The tax credit rate is approximately 4% for acquisition costs, 9% for rehabilitation and new construction costs, but only 4% if the development has federal subsidies or tax-exempt financing. (The actual credit rate is based on prevailing Treasury interest rates to provide a "present value" of 30 percent for acquisition costs and 70 percent for rehabilitation / new construction costs over ten years.)	The Housing Tax Credit Program allocates federal and state tax credits to owners of qualified rental properties who reserve all or a portion of their units for occupancy for low income tenants. Once a property is placed in service, the tax credits are usually claimed over a 10 year period and are based on a percentage of the qualified costs of the building. The applicable rates are 9% for new construction and substantial rehabilitation and 4% for buildings with federal subsidies and for acquisition and rehabilitation of existing buildings.
Transferrable			
Limitation			
Tax Type	Federal Income Tax	Federal Income Tax	Income or Insurance Premium Tax (federal and state)