

State of Arkansas

76th General Assembly

Regular Session, 1987

HOUSE BILL 1755

By: Representatives Mahony and Newman

"AN ACT TO GIVE TAXPAYERS OPERATING QUALIFIED
CHEMICAL PROCESSING FACILITIES AN ANNUAL CREDIT
OR REBATE IN THE AMOUNT OF THE SALES AND USE
TAXES PAID THE PREVIOUS YEAR FOR CHLORINE USED
IN THE MANUFACTURE OF BROMINE; AND FOR OTHER PURPOSES."

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

SECTION 1. To claim the benefits of this Act, a taxpayer must obtain a certification from the Director of the Arkansas Department of Industrial Development certifying to the Arkansas Revenue Division that the taxpayer:

A. Operates a chemical process to produce a fine chemical in Arkansas which began production after the effective date of this Act, and

B. Has invested, after the effective date of this Act, in excess of thirty million dollars (\$30,000,000.00) in the chemical processing facility which investment expenditure is for one of the following:

1. The construction of a building or buildings or any addition or improvement thereon to house the chemical processing facility.

2. Machinery and equipment to be located in or in connection with the chemical process.

3. Project planning costs, construction labor costs (including on-site direct labor and supervision, whether employed by a contractor or the project owner); architectural/engineering fees; right-of-way purchases; utility extensions; site preparation; parking lots; disposal or containment systems; water and sewer treatment systems; rail spurs; streets and roads; buildings; building renovation; production, processing and testing equipment; freight charges; building demolition; material handling equipment; drainage systems; water tanks and reservoirs; storage facilities; equipment rental; contractor's cost plus fees; builders risk insurance; original spare parts,

job administrative expenses; office furnishings and equipment; rolling stock; capitalized start-up costs as recognized by generally accepted accounting principals; and other costs related to the construction.

Production and processing equipment, as used in the preceding paragraph includes machinery and equipment essential for the receiving, storing, processing and testing of raw materials and the production, storage, testing, and shipping of finished products, including facilities for the production of: steam, electricity, chemicals, and such other materials that are essential to the manufacturing process, but which are consumed in the manufacturing process and do not become essential components of the finished product. For the purposes of this Act, the term "invested" shall include expenditures made from the proceeds of bonds (including interim notes or other evidence of indebtedness) issued by a municipality, county, or an agency or instrumentality of a municipality, county or the State of Arkansas, if the obligation to repay the bonds, including interest thereon, is a legal, binding obligation, directly or indirectly, of the taxpayer.

SECTION 2. Taxpayers qualified under Section 1 of this Act operating a chemical process to produce a fine chemical in Arkansas which begins production after the effective date of this Act and has invested, after the effective date of this Act, in excess of thirty million dollars (\$30,000,000.00) in the chemical process, shall be entitled annually to a tax credit or rebate in the amount of the Arkansas Sales (Gross Receipts) and Use (Compensating) Taxes paid the previous year for chlorine purchased for use in the manufacture of bromine in this State.

SECTION 3. REPEALER. All laws and parts of laws in conflict with this Act are hereby repealed.

SECTION 4. EMERGENCY. Unemployment in Arkansas has reached emergency proportions and can only be remedied by attracting new industry. Offering tax incentives is an effective method of attracting business to Arkansas. This Act offers incentives which will reduce unemployment levels. Therefore, an emergency is declared to exist and this Act, being necessary for the immediate preservation of the public peace, health and safety, shall be in full force and effective from and after its passage and approval.

