

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 85th General Assembly
3 Regular Session, 2005
4

A Bill

HOUSE BILL 2657

5 By: Representatives Petrus, Bolin, Dickinson
6 By: Senator Higginbothom
7

For An Act To Be Entitled

10 AN ACT TO PROVIDE A TAX CREDIT FOR THE SALE OF
11 BIODIESEL MIXTURE; AND FOR OTHER PURPOSES.
12

Subtitle

14 AN ACT TO PROVIDE A TAX CREDIT FOR THE
15 SALE OF BIODIESEL MIXTURE.
16
17

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

20 SECTION 1. Arkansas Code § 15-4-2802 is amended to read as follows:

21 15-4-2802. Definitions.

22 As used in this subchapter:

23 (1) "Biodiesel fuel" means a ~~renewable, biodegradable, mono~~
24 ~~alkyl ester combustible liquid fuel derived from agricultural plant oils or~~
25 ~~animal fats that meet the American Society for Testing and Material~~
26 ~~Specification D6751-02 for biodiesel fuel, or B100, blend stock for~~
27 ~~distillate fuels, as in effect on February 1, 2003~~ diesel fuel substitute
28 produced from nonpetroleum renewable resources that meets the registration
29 requirements for fuels and fuel additives established under the Energy Policy
30 Act of 1992, 42 U.S.C. §§ 13211 – 13219, as in effect on January 1, 2005;

31 (2) "Biodiesel mixture" means a mixture of biodiesel fuel and
32 undyed, clear distillate special fuel that is suitable for use in motor
33 vehicles on Arkansas highways and determined without regard to any use of
34 kerosene that is:

35 (A) Sold by the supplier producing biodiesel mixture to
36 any person for use a fuel; or



1 (B) Used as a fuel by the supplier producing the biodiesel
2 mixture;

3 ~~(2)~~(3) "Biodiesel producer" means a business located in the State
4 of Arkansas that uses agricultural crops, agricultural residues, or waste
5 products to manufacture biodiesel fuels;

6 ~~(3)~~(4) "Commission" means the Alternative Fuels Commission; and

7 ~~(4)~~(5) "Supplier" means any person who:

8 (A) Is customarily in the wholesale business of offering
9 distillate special fuels or liquefied gas special fuels for resale or use to
10 any person in this state; and

11 (B) Makes bulk sales of fuel.

12
13 SECTION 2. Arkansas Code § 15-4-2803, pertaining to credits for
14 biodiesel suppliers, is amended to add a new subsection to read as follows:

15 (e)(1) A supplier is entitled to a credit against the tax imposed on
16 the supplier by §§ 26-56-201, 26-56-502, and 26-56-601.

17 (2) Except as provided in subdivision (e)(3) of this section,
18 the credit shall be equal to one dollar (\$1.00) for each gallon of biodiesel
19 fuel used by the supplier in producing biodiesel mixture for sale by the
20 supplier or for use by the supplier in a trade or business.

21 (3) The total cumulative amount of credit that will be allowed
22 to all suppliers under this subsection (e) during a fiscal year is limited to
23 the first one million gallons (1,000,000 gal.) of biodiesel fuel that is
24 blended into undyed, clear distillate special fuel during the fiscal year.

25 (4)(A) The credit shall be taken on the supplier's monthly
26 distillate special fuels tax report.

27 (B) Any unused credit may be carried forward for three (3)
28 years from the time the credit is earned.

29 (5) The Director of the Department of Finance and Administration
30 shall promulgate rules for the administration and enforcement of this
31 subsection (e).

32
33 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the
34 General Assembly of the State of Arkansas that petroleum is a nonrenewable
35 energy source; that encouraging the use of nonpetroleum-based fuel is vital
36 for the future of the environment and the economy; that this act promotes the

1 use of other fuels; and that it is necessary that this act become effective
2 on July 1, 2005, for the effective administration of the benefits provided in
3 this act. Therefore, an emergency is declared to exist and this act being
4 necessary for the preservation of the public peace, health, and safety shall
5 become effective on July 1, 2005.

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