

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 86th General Assembly
3 Regular Session, 2007
4

A Bill

HOUSE BILL 1318

5 By: Representatives Sullivan, Petrus, Thyer
6
7

For An Act To Be Entitled

9 AN ACT TO CREATE THE SURPLUS POULTRY LITTER
10 REMOVAL INCENTIVES ACT; TO PROVIDE ECONOMIC
11 DEVELOPMENT INCENTIVES FOR POULTRY LITTER
12 REMOVAL; AND FOR OTHER PURPOSES.
13

Subtitle

14 AN ACT TO CREATE THE SURPLUS POULTRY
15 LITTER REMOVAL INCENTIVES ACT AND TO
16 PROVIDE ECONOMIC DEVELOPMENT INCENTIVES
17 FOR POULTRY LITTER REMOVAL.
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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 15, Chapter 20 is amended to add an
24 additional subchapter to read as follows:

25 15-20-1201. Title.

26 This subchapter shall be known and may be cited as the "Surplus
27 Nutrient Removal Incentives Act".
28

29 15-20-1202. Definitions.

30 As used in this subchapter:

31 (1) "Litter" means byproducts associated with the confinement of
32 poultry, including excrement, feed wastes, bedding materials, composted
33 carcasses, and any combinations thereof; and

34 (2) "Nutrient surplus area" means an area declared a nutrient
35 surplus area under § 15-20-1104.
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1 15-20-1203. Applicability – Effective date.

2 (a) The tax credits provided by this subchapter shall apply to taxable
 3 years beginning on or after January 1, 2007, and all taxable years
 4 thereafter.

5 (b) No taxpayer claiming a tax credit under this subchapter may claim
 6 a credit under any similar act for any costs related to surplus litter
 7 purchase and transportation outside the nutrient surplus area.

8 (c) Tax credits issued under this subchapter to partnerships, limited
 9 liability companies, Subchapter S corporations, or fiduciaries may pass
 10 through to their members, managers, partners, shareholders or beneficiaries.

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 12 15-20-1204. Credit granted.

13 (a) For the purchase and transportation of excess litter from any
 14 nutrient surplus area to be used or disposed of within Arkansas but outside
 15 nutrient surplus area, there shall be allowed as a credit against the tax
 16 imposed by the Income Tax Act of 1929, § 26-51-101, et seq., in an amount
 17 equal to fifteen dollars (\$15.00) for each ton of excess litter purchased and
 18 transported outside nutrient surplus area.

19 (b) The tax credit created in this section shall be available to a
 20 person that:

21 (1) Purchases surplus litter from a poultry feeding operation
 22 registered under the Arkansas Poultry Feeding Operations Registration Act, §
 23 15-20-901; and

24 (2) Transports or arranges for the transportation of the surplus
 25 litter outside the nutrient surplus area.

26 (c) The amount of the tax credit that may be used by a taxpayer for a
 27 taxable year may not exceed the amount of individual or corporate income tax
 28 otherwise due.

29 (d) Any unused credit may be:

30 (1) Carried forward for a maximum of five (5) consecutive
 31 taxable years following the taxable year in which the credit originated.

32 (2) Carried back for a maximum of two (2) consecutive taxable
 33 years preceding the taxable year in which the credit originated.

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 35 15-20-1205. Application of transported litter.

36 Litter that is transported from a nutrient surplus area and then land

1 applied shall be applied in a manner consistent with soil test
 2 recommendations.

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 4 15-20-1206. Application and approval procedure – Administration.

5 (a) The Arkansas Natural Resources Commission shall promulgate rules
 6 necessary to administer the tax credits provided under this subchapter.

7 (b) The Department of Finance and Administration shall promulgate
 8 rules necessary to administer the tax credits provided under this subchapter.

9 (c) The commission shall not adopt rules without the approval of the
 10 department.

11 (d)(1) The commission may charge a reasonable application fee to
 12 process tax credit applications.

13 (2) All fees received under subdivision (d)(1) of this section
 14 shall be deposited into the Arkansas Water Development Fund.

15 (e) To claim the benefits of this subchapter, a taxpayer shall:

16 (1) Obtain documentation from the commission certifying to the
 17 department that the taxpayer has met all requirements and qualifications set
 18 forth in this subchapter; and

19 (2) File the certificate of tax credit approval with his or her
 20 income tax return.

21
 22 15-20-1207. Annual compilation of credits – Expiration of the
 23 subchapter.

24 (a) The Department of Finance and Administration shall compile the
 25 total amount of tax credits used under this subchapter for each calendar
 26 year.

27 (b)(1) When the total amount of tax credits used under this subchapter
 28 exceeds one million dollars (\$1,000,000) in any calendar year, the tax
 29 credits established by this subchapter shall expire on December 31 of the
 30 calendar year following the calendar year in which the tax credits used under
 31 this subchapter exceeded one million dollars(\$1,000,000).

32 (2) However, any taxpayer having been issued a certificate of
 33 tax credit approval on or before December 31 of a year in which the tax
 34 credit under this subchapter expires may complete the surplus litter removal
 35 project and shall be entitled to the tax credits provided under this
 36 subchapter without regard to the fact that the availability of the tax

1 credits has otherwise expired.
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