

State of Arkansas
86th General Assembly
Regular Session, 2007

A Bill

HOUSE BILL 2330

By: Representative Lowery

For An Act To Be Entitled

AN ACT TO PROVIDE A REBATE FOR THE NATURAL GAS
SOLD TO GENERATING FACILITIES TO GENERATE
ELECTRICITY WHEN THE PURCHASE OF NATURAL GAS
EXCEEDS A SPECIFIED AMOUNT; AND FOR OTHER
PURPOSES.

Subtitle

TO PROVIDE A REBATE FOR THE NATURAL GAS
SOLD TO GENERATING FACILITIES TO
GENERATE ELECTRICITY WHEN THE PURCHASE
OF NATURAL GAS EXCEEDS A SPECIFIED
AMOUNT.

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

SECTION 1. Arkansas Code Title 26, Chapter 52, Subchapter 4, is amended to add the following new section:

26-52-441. Rebate for natural gas used by generating facilities.

(a) A generating facility that purchases natural gas to generate electricity in this state is entitled to a rebate from the Director of the Department of Finance and Administration when the generating facility has paid more than the following amounts in gross receipts tax levied by the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., and the compensating use tax levied by the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq., on natural gas used for the generation of electricity:
(1) Four million dollars (\$4,000,000) for a generating facility with a generating capacity of at least one kilowatt (1 kW) but less than



1 eight hundred kilowatts (800 kW);

2 (2) Eight million dollars (\$8,000,000) for a generating facility
3 with a generating capacity of at least eight hundred kilowatts (800 kW) but
4 less than one thousand six hundred kilowatts (1600 kW); or

5 (3) Twelve million dollars (\$12,000,000) for a generating
6 facility with a generating capacity of at least one thousand six hundred
7 kilowatts (1,600 kW) but less than two thousand four hundred kilowatts (2,400
8 kW).

9 (b)(1) The gross receipts and compensating use tax rebate in
10 subsection (a) of this section applies only to the natural gas sold to a
11 generating facility to generate electricity in this state.

12 (2) No gross receipts and compensating use tax rebate in
13 subsection (a) of this section shall be provided for natural gas sold to the
14 generating facility for any other purpose.

15 (c) To qualify for the gross receipts and compensating use tax rebate
16 in subsection (a) of this section, the generating facility must have a
17 separate natural gas meter for which the gross receipts and compensating use
18 tax rebate in subsection (a) is claimed.

19 (d) The Director of the Department of Finance and Administration shall
20 promulgate rules for the proper administration of this section.

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22 SECTION 2. Section 1 of this act becomes effective on the first day of
23 the calendar quarter following the effective date of this act.
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