

State of Arkansas
86th General Assembly
Regular Session, 2007

A Bill

HOUSE BILL 2468

By: Representative Lamoureux

For An Act To Be Entitled

AN ACT TO CREATE THE "BIOBASED CHEMICAL INCENTIVE ACT"; TO PROVIDE AN INCOME TAX CREDIT FOR THE USE OF BIOBASED CHEMICALS; AND FOR OTHER PURPOSES.

Subtitle

TO CREATE THE "BIOBASED CHEMICAL INCENTIVE ACT" AND TO PROVIDE AN INCOME TAX CREDIT FOR THE USE OF BIOBASED CHEMICALS.

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

SECTION 1. Arkansas Code Title 15, Chapter 4 is amended to add a new subchapter to read as follows:

15-4-3301. Title.

This subchapter shall be known and may be cited as the "Biobased Chemical Incentive Act".

15-4-3302. Definitions.

As used in this subchapter:

(1) "Biobased chemical" means a petroleum chemical substitute produced from nonpetroleum renewable resources;

(2) "Manufacturer" means any entity that is classified in sectors 31-33 in the North American Industry Classification System, as in effect January 1, 2007; and

(3) "Renewable resource" means an agricultural product that regrows in less than a ten-year cycle.



15-4-3303. Tax credit for users of biobased chemicals.

(a) There shall be allowed a credit against the income tax imposed by the Income Tax Act of 1929, § 26-51-101 et seq., in an amount as determined in subsection (b) of this section to a user of a biobased chemical used in manufacturing.

(b) The amount of the income tax credit allowed shall be equal to five cents (5¢) per pound of displaced petroleum chemicals used by the manufacturer.

(c)(1) No income tax credit shall be claimed by a manufacturer for any biobased chemical that is in use on or before the certification of the company for an income tax credit or for which an income tax credit was previously claimed by the manufacturer for any other tax year.

(2) The income tax credit provided in subsection (b) of this section may be carried forward for a period not to exceed three (3) tax years.

(3) The income tax credit provided in subsection (b) of this section is not transferable and may only be used by the manufacturer to which the income tax credit was issued.

(d) The income tax credit allowed under this section shall be available to a manufacturer when:

(1) The manufacturer signs a financial incentive agreement with the Department of Economic Development;

(2) The manufacturer certifies that it will reduce the amount of petroleum chemicals it uses in the manufacturing process;

(3) The manufacturer certifies the biobased chemical content of the product that is displacing a petroleum chemical and has documentation of testing through an independent lab using the American Society for Testing and Materials (ASTM) Method D 6866-05; and

(4) The manufacturer is approved as a biobased chemical user by the Director of the Department of Finance and Administration in accordance with rules promulgated by the director.

15-4-3305. Rules and regulations.

The Director of the Department of Finance and Administration shall promulgate the rules necessary to implement the provisions of this

1 subchapter.

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