

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

# A Bill

HOUSE BILL 2564

4  
5 By: Representative Bond  
6  
7

## For An Act To Be Entitled

8  
9 AN ACT TO SUPPORT ECONOMIC DEVELOPMENT FOR  
10 CERTAIN SMALL MANUFACTURERS; AN ACT TO PROVIDE A  
11 TAX CREDIT FOR CERTAIN MANUFACTURERS OF BEER AND  
12 MALT BEVERAGES; AND FOR OTHER PURPOSES.  
13

## Subtitle

14  
15 AN ACT TO SUPPORT ECONOMIC DEVELOPMENT  
16 FOR SMALL MANUFACTURERS OF BEER AND MALT  
17 BEVERAGES.  
18  
19

20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
21

22 SECTION 1. Arkansas Code Title 3, Chapter 7, Subchapter 1 is amended  
23 to add a new section to read as follows:

24 3-7-116. Tax credit for qualified manufacturers.

25 (a) For purposes of this section:

26 (1) "Barrel" means thirty-one gallons (31 gals.) of liquid;

27 (2) "Beer" means any fermented liquor made from malt or any  
28 substitute and having an alcoholic content of not more than five percent (5%)  
29 by weight;

30 (3) "Malt beverage" means any liquor brewed from the fermented  
31 juices of grain and having an alcoholic content of not less than five percent  
32 (5%) or more than twenty-one percent (21%) by weight;

33 (4)(A)(i) "Qualified manufacturer" means a person that  
34 manufactures a combined total of less than twenty five thousand (25,000)  
35 barrels of beer and malt beverage during the twelve-month period immediately  
36 preceding the twelve-month period for which the credit under this section is



1 claimed.

2 (ii) "Qualified manufacturer" includes a person  
 3 licensed under § 3-5-1201 et seq. or § 3-5-1401 et seq.

4 (B)(i) The maximum quantity of less than twenty-five  
 5 thousand (25,000) barrels of beer and malt beverage shall be computed by  
 6 combining all brands and labels of beer and malt beverage manufactured at all  
 7 manufacturing facilities owned or controlled by the qualified manufacturer.

8 (ii)(a) The person shall validate its eligibility by  
 9 furnishing copies of the following forms:

10 (1) Brewers Report of Operations  
 11 (monthly or quarterly) TTB Form (OMB Number 1512-0052); or

12 (2) Its equivalent form, as submitted to  
 13 the United States Department of Treasury.

14 (b) The forms shall demonstrate that the  
 15 combined manufactured barrels of beer and malt beverage are less than twenty  
 16 five thousand (25,000) barrels of beer; and

17 (5) "Wholesaler" means a person licensed by the Alcoholic  
 18 Beverage Control Division as a wholesaler that purchases beer or malt  
 19 beverage from a qualified manufacturer.

20 (b)(1)(A) A qualified manufacturer is entitled to a tax credit equal  
 21 to seven dollars and fifty cents (\$7.50) per barrel of beer or malt beverage  
 22 sold or offered for sale in Arkansas each calendar year by the qualified  
 23 manufacturer or sold through its appointed "wholesalers", if the qualified  
 24 manufacturer or its "wholesaler" is required to report and pay tax under § 3-  
 25 7-104(6), § 3-5-1408(3), or § 3-7-104, on the beer or malt beverage first  
 26 sold or offered for sale in this state.

27 (B) The tax credit claimed each year by the qualified  
 28 manufacturer under this section shall not exceed the annual tax liability of  
 29 the qualified manufacturer and its wholesalers under § 3-5-1408(3) or § 3-7-  
 30 104.

31 (2) The total amount of tax credit that may be claimed by a  
 32 qualified manufacturer under this section during the year requested shall not  
 33 exceed the qualified manufacturer's and its wholesalers total liability for  
 34 tax under § 3-5-1408(3) or § 3-7-104 during year requested.

35 (3) The first twelve-month period for which a qualified  
 36 manufacturer or a wholesaler may claim a credit under this section begins

1 January 1, 2007, for the year ending 2006.

2  
3 SECTION 2. EMERGENCY CLAUSE. It is found and determined by the  
4 General Assembly of the State of Arkansas that beer and malt beverage  
5 manufacturers and wholesalers are an important component of the state  
6 economy; that in order to be competitive, beer and malt beverage  
7 manufacturers are in urgent need of immediate tax relief; that failure to  
8 provide immediate tax relief to beer and malt beverage manufacturers could  
9 cause irreparable harm to these manufacturers and the state economy; and that  
10 this act is immediately necessary to enable the manufacturers to continue  
11 operations and contribute to the state economy. Therefore, an emergency is  
12 declared to exist and this act being immediately necessary for the  
13 preservation of the public peace, health, and safety shall become effective  
14 on the first day of the calendar month after:

15 (1) The date of its approval by the Governor;

16 (2) If the bill is neither approved nor vetoed by the Governor,  
17 the expiration of the period of time during which the Governor may veto the  
18 bill; or

19 (3) If the bill is vetoed by the Governor and the veto is  
20 overridden, the date the last house overrides the veto.

21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36