

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

As Engrossed: S3/19/07

A Bill

SENATE BILL 586

5 By: Senator T. Smith
6 By: Representatives Saunders, Sample, Shelby
7

For An Act To Be Entitled

10 AN ACT TO ADJUST THE AMOUNT OF TAX CREDIT UNDER
11 THE "ARKANSAS TOURISM DEVELOPMENT ACT; AND FOR
12 OTHER PURPOSES.

Subtitle

15 AN ACT TO ADJUST THE AMOUNT OF TAX
16 CREDIT UNDER THE "ARKANSAS TOURISM
17 DEVELOPMENT ACT.

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19
20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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22 SECTION 1. Arkansas Code §15-11-505 is amended to read as follows:

23 15-11-505. Standards for preliminary and final approval of companies
24 and projects.

25 (a) The Director of the Department of Economic Development shall
26 establish standards for final approval of eligible companies and their
27 projects by the promulgation of administrative regulations in accordance with
28 the Arkansas Administrative Procedure Act, § 25-15-201 et seq.

29 (b) The Director of the Department of Economic Development shall
30 obtain the review and advice of the Director of the Department of Parks and
31 Tourism prior to designating an entity as an approved company eligible for
32 the tourism incentive.

33 ~~(b)(c)~~ The director may give approval by designating an eligible
34 company as an approved company and authorizing the undertaking of the tourism
35 attraction project.

36 ~~(e)(d)~~ The director shall review the information that has been made



1 available to the director in order to determine whether the tourism
2 attraction project will further the purposes of this subchapter.

3 ~~(d)~~(e) The criteria for final approval of eligible companies and
4 tourism attraction projects shall include, but shall not be limited to, the
5 criteria set forth in § 15-11-504(c).

6 ~~(e)~~(f) After a review of the relevant materials, other information
7 made available to the director, ~~and~~ the completion of other inquiries, and
8 the review and advice of the Director of the Department of Parks and Tourism,
9 the director may give final approval to the eligible company's application
10 for a tourism attraction project and may grant the approval to the eligible
11 company in the form of a financial incentive agreement.

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13 SECTION 2. Arkansas Code §15-11-510(a), concerning special rules for
14 certain lodging facilities, is amended to read as follows:

15 (a) A lodging facility may qualify as a tourism attraction project, as
16 defined in § 15-11-503, entitled to the benefits of this subchapter even
17 though the lodging costs represent one hundred percent (100%) of the total
18 project costs, provided:

19 (1) the The approved costs for the lodging facility exceed five
20 million dollars (\$5,000,000)~~;~~ and

21 ~~(1)~~(2) The lodging facility is attached to a convention center
22 containing a minimum of seventy-five thousand square feet (75,000 sq. ft.)~~;~~
23 ~~or.~~

24 ~~(2) The lodging facility contains a minimum of twelve thousand~~
25 ~~square feet (12,000 sq. ft.) of meeting or exhibit space.~~

26
27 SECTION 3. Arkansas Code § 15-11-511, concerning special rules for
28 qualified amusement parks, is amended to add an additional subsection to read
29 as follows:

30 (d)(1) Notwithstanding the other provisions of this subchapter, a
31 qualified amusement park that on or after January 1, 2006, enters into an
32 agreement that provides that the qualified amusement park shall expend
33 approved costs of more than one million dollars (\$1,000,000) shall be
34 entitled to a sales tax credit if the qualified amusement park certifies to
35 the Director of the Department of Finance and Administration that it has
36 expended at least one million dollars (\$1,000,000) in approved costs and the

1 Director of the Department of Economic Development certifies that the
2 qualified amusement park is in compliance with this subchapter.

3 (2) The Director of the Department of Finance and Administration
4 shall then issue a sales tax credit memorandum to the qualified amusement
5 park equal to twenty-five percent (25%) of the approved costs. The sales tax
6 credit memorandum may be used to offset the liability of the qualified
7 amusement park for:

8 (A) Gross receipts tax levied under the Arkansas Gross
9 Receipts Act of 1941, § 26-52-101 et seq.; and

10 (B) Tourism gross receipts tax levied under § 26-52-1001
11 et seq.

12 (3) The Director of the Department of Finance and Administration
13 may require proof of expenditures.

14 (4) Additional credit memoranda may be issued as the qualified
15 amusement park certifies additional expenditures of approved costs.

16 (5)(A) No sales tax credit memorandum shall be issued for any
17 approved costs expended after the expiration of two (2) years from the date
18 the agreement was signed by the Director of the Department of Economic
19 Development and the qualified amusement park.

20 (B) However, the Director of the Department of Economic
21 Development, with the advice and consent of the Director of the Department of
22 Finance and Administration, may authorize sales tax credits for approved
23 costs expended up to four (4) years from the date the agreement was signed if
24 the Director of the Department of Economic Development determines that the
25 failure to complete the tourism attraction project within two (2) years
26 resulted from:

27 (i) Unanticipated and unavoidable delay in the
28 construction of the tourism attraction project;

29 (ii) The tourism attraction project, as originally
30 planned, will require more than two (2) years to complete; or

31 (iii) A change in business ownership or business
32 structure resulting from a merger or acquisition.

33 (6) The credit memorandum issued pursuant to subdivision (d)(2)
34 of this section may be used to offset one hundred percent (100%) of the
35 reported state tax liability as provided in subdivision (d)(2) of this
36 section of the qualified amusement park for all sales tax reporting periods

1 following the issuance of the credit memorandum, subject to the following
2 limitations:

3 (A) Unused credits may be carried forward for a period of
4 nine (9) years; and

5 (B) All issued credit memoranda shall expire at the end of
6 the month following the expiration of the agreement as provided in § 15-11-
7 506.

8 (7) The approved company shall have no obligation to refund or
9 otherwise return any amount of this credit to the person from whom the sales
10 tax was collected.

11 (8) By April 1 of each year, the Director of the Department of
12 Finance and Administration shall certify to the Director of the Department of
13 Economic Development the state sales tax liability of the qualified amusement
14 parks receiving inducements under this section and the amount of state sales
15 tax credits taken during the preceding calendar year.

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17 SECTION 4. Effective date. Section 3 of this act shall apply
18 retroactively to July 1, 2006.

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20 /s/ T. Smith
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