

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 87th General Assembly  
3 Regular Session, 2009  
4

*As Engrossed: H3/25/09*

# A Bill

HOUSE BILL 1861

5 By: Representative English  
6  
7

## For An Act To Be Entitled

9 AN ACT TO EXPAND AND REFOCUS INDUSTRY EFFORTS TO  
10 CREATE JOBS IN THE RENEWABLE ENERGY RESOURCE  
11 SECTOR BY INCREASING THE INCOME TAX CREDIT  
12 ALLOWED FOR THE DESIGN, DEVELOPMENT, OR  
13 PRODUCTION OF RENEWABLE ENERGY RESOURCE PRODUCTS  
14 AND TECHNOLOGY; AND FOR OTHER PURPOSES.  
15

## Subtitle

16 Arkansas Emerging and Renewable Energy  
17 Technology Development Act of 2009.  
18  
19  
20

21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
22

23 SECTION 1. Arkansas Code § 15-4-2101 is amended to read as follows:  
24 15-4-2101. Title.

25 This subchapter shall be known and may be cited as the "~~Arkansas~~  
26 ~~Emerging Technology Development Act of 1999~~", "Arkansas Emerging and  
27 Renewable Energy Technology Development Act of 2009".  
28

29 SECTION 2. Arkansas Code § 15-4-2102 is amended to read as follows:  
30 15-4-2102. Legislative findings.

31 (a) All sectors of the Arkansas economy, job creation potential, and  
32 the physical environment are ~~driven by the flow of~~ affected by the use of  
33 energy and the non-stop emergence of new technologies.

34 (b) Energy technology plays an essential role in the efficient  
35 consumption and wise utilization of energy resources, has dramatic impacts on  
36 all state and national economies, and can help to improve environmental



1 conditions. These facts, along with the technical, environmental, and  
2 economic conditions around the world, have resulted in the demand for  
3 improved energy technologies that focus on renewable energy resources.

4 (c) Leading-edge renewable energy resource technologies are being  
5 developed, demonstrated, and manufactured in other states in order to meet  
6 their own energy needs, as well as to support economic development by  
7 responding to the rapidly expanding world-wide export market for these  
8 technologies.

9 (d) Other emerging technologies are being developed, demonstrated, and  
10 manufactured in other states in order to support economic development by  
11 responding to the emergence of new technologies and the rapidly expanding  
12 world-wide export market for such technologies.

13 (e)(1) Arkansas ~~has been slow to recognize the~~ can capitalize on the  
14 potential economic and technical benefits of ~~these~~ renewable energy resources  
15 and other emerging technologies.

16 (2) Many of the emerging technologies are at the nanometer scale  
17 or nanoscale and are referred to collectively as nanotechnologies.

18 (f) Therefore, the General Assembly finds that it is in ~~Arkansas'~~ the  
19 long-term interest of Arkansas to:

20 (1) ~~Establish a foothold in the~~ Seize the opportunity to grow  
21 the Arkansas economy for manufacturers of advanced renewable energy resources  
22 and other emerging technologies that are magnets for capital investment and  
23 which spin off jobs that are characteristically knowledge-based; ~~and~~

24 (2) Encourage the application of nanotechnology to:

25 (A) Biotechnology and agriculture;

26 (B) Manufacturing and materials;

27 (C) Medicine and health;

28 (D) Photonics;

29 (E) Nanoelectronics and computer technology;

30 (F) Environment and energy;

31 (G) *Aeronautics and space; and*

32 (H) *National security;*

33 (I) Renewable biomethanol;

34 (J) Woody biomass generative power; and

35 (K) Woody biomass pellet production for heat and power  
36 generation; and

1           (3) Focus attention and effort to encourage the development of  
2 technology and industry for renewable energy resources, including without  
3 limitation:

4                   (A) Alternative fuel sources;

5                   (B) Hydroelectric power;

6                   (C) Rechargeable batteries;

7                   (D) Photovoltaic devices;

8                   (E) Renewable biomethanol;

9                   (F) Wind power;

10                  (G) Woody biomass generative power; and

11                  (H) Woody biomass pellet production for heat and power  
12 generation.

13  
14           SECTION 3. Arkansas Code § 15-4-2104 is amended to read as follows:

15           15-4-2104. Credit allowance.

16           ~~(a) There shall be allowed a credit against the income tax imposed by~~  
17 ~~the Income Tax Act of 1929, § 26-51-101 et seq., in an amount as determined~~  
18 ~~in subsection (b) of this section for any Arkansas taxpayer for the cost of a~~  
19 ~~facility located in Arkansas which designs, develops, or produces~~  
20 ~~photovoltaic devices, electric vehicle equipment, fuel cells, microturbines,~~  
21 ~~Stirling engines, or devices which are reliant upon nanotechnology~~

22 There is allowed a credit against the income tax imposed by the Income Tax  
23 Act of 1929, § 26-51-101 et seq., in an amount as determined in subsection  
24 (b) of this section for any Arkansas taxpayer for the cost of a facility  
25 located in Arkansas that designs, develops, or produces technology and  
26 industry for renewable energy resources, including without limitation:

27                   (A) Alternative fuel sources;

28                   (B) Electric vehicle equipment;

29                   (C) Fuel cells;

30                   (D) Hydroelectric power;

31                   (E) Microturbines;

32                   (F) Photovoltaic devices;

33                   (G) Rechargeable batteries;

34                   (H) Stirling engines

35                   (I) Wind power;

36                   (J) Renewable biomethanol;

1 (K) Woody biomass generative power;

2 (L) Woody biomass pellet production for heat and power  
3 generation; and

4 (M) Other devices that are reliant upon nanotechnology.

5 (b) The amount of the credit allowed shall be equal to ~~fifty percent~~  
6 ~~(50%)~~ seventy-five percent (75%) of the amount spent during the taxable year  
7 to purchase or construct the facility, including: ~~land acquisition,~~  
8 ~~infrastructure improvements, renovation, building improvements, machinery,~~  
9 ~~and other manufacturing equipment.~~

10 (1) Land acquisition;

11 (2) Infrastructure improvements;

12 (3) Renovation;

13 (4) Building improvements;

14 (5) Machinery; and

15 (6) Other manufacturing equipment.

16 (c) The costs of service contracts unrelated to the construction of  
17 the facility and sales tax shall not be included in determining the amount of  
18 the credit.

19 (d)(1) ~~No~~ An income tax credit shall not be claimed by any taxpayer  
20 for any facility or equipment which was used in the manufacturing of any of  
21 the technologies listed in subsection (a) of this section on or before  
22 January 1, ~~2000~~ 2009, or for which a tax credit was previously claimed by any  
23 other taxpayer for any other tax year.

24 (2) However, the provisions of this subsection ~~shall~~ do not  
25 apply if any entity is sold and the entity is entitled to an income tax  
26 credit under this subchapter.

27 (e) This credit ~~shall not be~~ is not allowed for any portion of  
28 facility costs which were provided by federal, state, or local grants.

29

30 *SECTION 4. Arkansas Code § 15-4-2714(c)(1), concerning the*  
31 *Consolidated Incentive Act of 2003 and the coordination with other economic*  
32 *development programs, is amended to read as follows:*

33 *(c)(1) ~~Under no circumstances shall an~~ An eligible business ~~be~~ is not*  
34 *entitled to receive incentives or benefits for a project under this*  
35 *subchapter and the programs listed in subsection (a) of this section, except*  
36 *for a tax credit allowed under § 15-4-2101 et seq. beginning on and after*

1 January 1, 2009.

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3 SECTION 5. This act is effective for tax years beginning on and after  
4 January 1, 2009.

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*/s/ English*

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