

1 State of Arkansas
2 88th General Assembly
3 Regular Session, 2011
4

As Engrossed: S3/21/11

A Bill

SENATE BILL 896

5 By: Senator E. Williams
6

For An Act To Be Entitled

8 AN ACT TO AMEND THE ARKANSAS TOURISM DEVELOPMENT ACT;
9 AND FOR OTHER PURPOSES.
10

Subtitle

11 TO AMEND THE ARKANSAS TOURISM DEVELOPMENT
12 ACT.
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17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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19 *SECTION 1. Arkansas Code § 15-11-503(3), concerning the definition of*
20 *"approved costs" under the Arkansas Tourism Development Act, is amended to*
21 *read as follows:*

22 (3) "Approved costs" means:

23 (A) *Obligations incurred for labor and to vendors,*
24 *contractors, subcontractors, builders, suppliers, deliverymen, and*
25 *materialmen in connection with the acquisition, construction, equipping, ~~and~~*
26 *installation, refurbishment, and renovation of a tourism attraction project;*

27 (B) *The costs of acquiring real property or rights in real*
28 *property in connection with a tourism attraction project and any costs*
29 *incidental thereto;*

30 (C) *The cost of contract bonds and insurance of all kinds*
31 *that may be required or necessary during the course of the acquisition,*
32 *construction, equipping, ~~and~~ installation, refurbishment, and renovation of a*
33 *tourism attraction project ~~which that~~ is not paid by the vendor, supplier,*
34 *deliveryman, contractor, or otherwise provided;*

35 (D) *All costs ~~of~~:*

36 (i) *Of architectural and engineering services,*



1 ~~including, but not limited to, without limitation~~ estimates, plans and
 2 specifications, preliminary investigations, and supervision of construction
 3 and installation, ~~as well as for; and~~

4 (ii) For the performance of all the duties required
 5 by or consequent to the acquisition, construction, equipping, and
 6 installation, refurbishment, and renovation of a tourism attraction project;

7 (E) All costs required to be paid under the terms of ~~any a~~
 8 contract for the acquisition, construction, equipping, ~~and~~ installation,
 9 refurbishment, and renovation of a tourism attraction project;

10 (F) All costs required for ~~the~~;

11 (i) The installation of utilities in connection with
 12 a tourism attraction project, including, but not limited to, without
 13 limitation water, sewer, sewage treatment, gas, electricity, and
 14 communications; and including off-site

15 (ii) Off-site construction of utility extensions
 16 paid for by the approved company; and

17 (G) All other costs comparable with those described in
 18 this section;

19
 20 SECTION 2. Arkansas Code § 15-11-507(c)(3), concerning the tourism
 21 attraction project sales tax credit, is amended to read as follows:

22 (3) All issued credit memoranda shall expire at the end of the
 23 month following the expiration of the agreement as provided in § 15-11-506
 24 except as provided in subsection (h) of this section; and

25
 26 SECTION 3. Arkansas Code § 15-11-507, concerning the tourism
 27 attraction project sales tax credit, is amended to add additional subsections
 28 to read as follows:

29 (h)(1)(A) An approved company is entitled to an additional state sales
 30 tax credit if the company certifies to the Director of the Department of
 31 Finance and Administration that:

32 (i) The approved company has expended approved costs
 33 in connection with refurbishment or renovation of the tourism attraction
 34 project;

35 (ii) The refurbishment or renovation commenced
 36 before the end of the nine-year period stated under subdivision (c)(2)(B) of

1 this section; and

2 (iii) The approved company has expended approved
3 costs for refurbishment or renovation of the tourism attraction project in an
4 amount equal to or in excess of twenty-five percent (25%) of the approved
5 company's increased state sales tax liability in the aggregate for the total
6 number of years between the completion of the tourism attraction project and
7 the completion of the refurbishment or renovation of the tourism attraction
8 project.

9 (B) Following an approved company's certification under
10 subdivision (h)(1)(A) of this section, the Director of the Department of
11 Finance and Administration shall issue an extension of the approved company's
12 current sales tax credit memorandum, which shall:

13 (i) Allow any previously unused credits to be
14 carried forward for an additional ten (10) years at the same percentage
15 stated in the original sales tax credit memorandum; and

16 (ii)(a) Provide an additional credit to the approved
17 company equal to a percentage of the approved costs of the refurbishment or
18 renovation of the tourism attraction project.

19 (b) The percentage of approved costs used to
20 determine the tax credit under the extension of the current sales tax credit
21 memorandum shall be equal to the percentage of approved costs stated in the
22 original sales tax credit memorandum.

23 (C) The sales tax credit memorandum shall not include an
24 offset of the tourism tax levied under §§ 26-63-401 – 26-63-405.

25 (2) Subsequent requests for credit for additional certified
26 approved costs shall be filed with the Department of Finance and
27 Administration during the term of the agreement.

28 (3)(A) The Director of the Department of Finance and
29 Administration may require proof of expenditures.

30 (B) Additional credit memoranda may be issued as the
31 approved company certifies additional expenditures of approved costs.

32 (4) A sales tax credit memorandum shall not be issued for
33 approved costs after the expiration of two (2) years from the date the
34 extension was signed by the Director of the Arkansas Economic Development
35 Commission and the approved company.

36 (i) The credit memorandum issued under subsection (h) of this section

1 may be used to offset a portion of the reported state sales tax liability of
2 the approved company for all sales tax reporting periods following the
3 issuance of the credit memorandum, subject to the following conditions:

4 (1) Only increased state sales tax liability as defined in this
5 subchapter and as established in the original credit memorandum issued under
6 subsection (b)(1)(A) of this section may be offset by the issued credit;

7 (2) Unused credits may be carried forward for a period of ten
8 (10) years from the date the extension was signed by the Director of the
9 Arkansas Economic Development Commission and the approved company; and

10 (3) Except as provided in § 15-11-511, credit memoranda shall
11 not be used to offset any tax other than state sales tax.

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13 /s/E. Williams
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