

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

As Engrossed: S3/21/11 S3/29/11

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.

Subtitle

10 TO AMEND THE ARKANSAS TOURISM DEVELOPMENT
11 ACT.
12

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

20 (3) "Approved costs" means:

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

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

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

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

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



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 extension of the state
30 sales tax credit if the company certifies to the Director of the Department
31 of 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 allow any previously unused
13 credits to be carried forward for an additional five (5) years at the same
14 percentage stated in the original sales tax credit memorandum.

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

17 (2) The Director of the Department of Finance and Administration
18 may require proof of expenditures.

19 (i) The credit memorandum issued under subsection (h) of this section
20 may be used to offset a portion of the reported state sales tax liability of
21 the approved company for all sales tax reporting periods following the
22 issuance of the credit memorandum, subject to the following conditions:

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

26 (2) Unused credits may be carried forward for a period of five
27 (5) years from the date the extension was signed by the Director of the
28 Arkansas Economic Development Commission and the approved company; and

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

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32 /s/E. Williams
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