

1 State of Arkansas
2 89th General Assembly
3 Regular Session, 2013
4

A Bill

HOUSE BILL 1697

5 By: Representative Leding
6 By: Senator D. Johnson
7

For An Act To Be Entitled

9 AN ACT TO CREATE A LIMITED INCOME TAX EXEMPTION FOR
10 QUALIFIED PHOTOVOLTAIC MANUFACTURERS; AND FOR OTHER
11 PURPOSES.
12
13

Subtitle

14 TO CREATE A LIMITED INCOME TAX EXEMPTION
15 FOR QUALIFIED PHOTOVOLTAIC MANUFACTURERS.
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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21 SECTION 1. Arkansas Code Title 26, Chapter 51, Subchapter 3, is
22 amended to add an additional section to read as follows:

23 26-51-313. Qualified photovoltaic manufacturing exemption.

24 (a) There is allowed an exemption from the income tax imposed by the
25 Income Tax Act of 1929, § 26-51-101 et seq., for the period of time
26 determined under subsection (b) of this section for a qualified photovoltaic
27 manufacturer.

28 (b) The number of years that an income tax exemption is allowed under
29 this section is calculated as follows:

30 (1)(A) Multiply the proposed average hourly wage to be paid by
31 the qualified photovoltaic manufacturer by two thousand eighty (2,080) hours.

32 (B) Multiply the product obtained under subdivision
33 (b)(1)(A) of this section by the number of jobs to be created by the
34 qualified photovoltaic manufacturer to determine the proposed annual payroll;

35 (2)(A) Multiply one hundred ten percent (110%) of the state's
36 average hourly wage from the preceding calendar year by two thousand eighty



1 (2,080) hours.

2 (B) Multiply the product obtained under subdivision
3 (b)(2)(A) of this section by one thousand (1,000);

4 (3) Divide the product calculated under subdivision (b)(1) of
5 this section by the product calculated under subdivision (b)(2) of this
6 section;

7 (4) Multiply the quotient calculated under subdivision (b)(3) of
8 this section by six tenths (0.6) to determine the weighting factor for
9 payroll;

10 (5) Divide the proposed investment of the qualified photovoltaic
11 manufacturer by two hundred fifty million dollars (\$250,000,000);

12 (6) Multiply the quotient calculated under subdivision (b)(5) of
13 this section by four tenths (0.4) to determine the weighting factor for
14 investment;

15 (7) Add the product calculated under subdivision (b)(4) of this
16 section to the product calculated under subdivision (b)(6); and

17 (8)(A) Multiply the sum calculated under subdivision (b)(7) of
18 this section by twenty (20) and round to the nearest whole number.

19 (B) The number calculated under subdivision (b)(8)(A) of
20 this section is the number of years that the income tax exemption is allowed
21 for the qualified photovoltaic manufacturer.

22 (C) However, an income tax exemption allowed under this
23 section shall not exceed twenty (20) years.

24 (c) As used in this section:

25 (1) "Photovoltaic cell" means an integrated device consisting of
26 layers of semiconductor materials and electrical contacts capable of
27 converting incident light directly into electricity;

28 (2)(A) "Photovoltaic energy system" means a solar energy device
29 composed of one (1) or more photovoltaic cells or photovoltaic modules and an
30 inverter or other power conditioning unit.

31 (B) "Photovoltaic energy system" includes batteries for
32 energy storage or other electricity storage devices;

33 (3) "Photovoltaic module" means an assembly of photovoltaic
34 cells; and

35 (4) "Qualified photovoltaic manufacturer" means a person that:

36 (A) Manufactures all or part of a:

