1 2	State of Arkansas 89th General Assembly A Bill	
		1607
3	Regular Session, 2013 HOUSE BILL	1097
4 5	By: Representative Leding	
6	By: Senator D. Johnson	
7	2). 5 0 (1). 2. 00(1).	
8	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.	
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13		
14	Subtitle	
15	TO CREATE A LIMITED INCOME TAX EXEMPTION	
16	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	<u>e</u>
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 photovolta	<u>ic</u>
27	manufacturer.	
28	(b) The number of years that an income tax exemption is allowed und	<u>er</u>
29	this section is calculated as follows:	
30	(1)(A) Multiply the proposed average hourly wage to be paid b	У
31	the qualified photovoltaic manufacturer by two thousand eighty (2,080) hou	rs.
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 payro	
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 eight	. 77

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	<pre>payroll;</pre>
10	(5) Divide the proposed investment of the qualified photovoltaid
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	<pre>investment;</pre>
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 ar
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:

1	(i) Photovoltaic energy system;
2	(ii) Photovoltaic cell; or
3	(iii) Photovoltaic module;
4	(B) Invests at least twenty million dollars (\$20,000,000)
5	in a new or expanded photovoltaic manufacturing facility;
6	(C) Creates at least one hundred (100) new jobs;
7	(D) If the new or expanded photovoltaic manufacturing
8	facility is a subsidiary of an existing Arkansas company, establishes the new
9	or expanded photovoltaic manufacturing facility as a separate legal entity;
10	(E) Locates the new or expanded photovoltaic manufacturing
11	facility in the state after January 1, 2013, but before June 30, 2023; and
12	(F) Signs a financial incentive agreement with the
13	Arkansas Economic Development Commission after January 1, 2013, but before
14	June 30, 2023.
15	(d) The ability to qualify for an income tax exemption under this
16	section expires June 30, 2023.
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18	SECTION 2. EFFECTIVE DATE. This act is effective for tax years
19	beginning on and after January 1, 2013.
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