

1 State of Arkansas  
2 90th General Assembly  
3 Regular Session, 2015  
4

# A Bill

SENATE BILL 844

5 By: Senator Hickey  
6

## For An Act To Be Entitled

8 AN ACT TO AMEND TAX INCENTIVES; TO AMEND THE INCOME  
9 TAX CREDIT FOR WASTE REDUCTION, REUSE, OR RECYCLING  
10 EQUIPMENT; TO AMEND THE RETENTION TAX CREDITS UNDER  
11 THE CONSOLIDATED INCENTIVE ACT OF 2003; TO AMEND THE  
12 SALES AND USE TAX EXEMPTION FOR REPAIR AND  
13 REPLACEMENT OF MACHINERY AND EQUIPMENT FOR QUALIFIED  
14 MANUFACTURERS OF STEEL; TO CLARIFY THE DISTRIBUTION  
15 OF INCOME TAX CREDITS FOR WASTE REDUCTION, REUSE, OR  
16 RECYCLING EQUIPMENT WHEN A PUBLIC RETIREMENT SYSTEM  
17 IS AN INVESTOR; AND FOR OTHER PURPOSES.  
18

## Subtitle

21 TO AMEND THE INCOME TAX CREDIT FOR WASTE  
22 REDUCTION, REUSE, OR RECYCLING EQUIPMENT;  
23 TO AMEND RETENTION TAX CREDITS; AND TO  
24 AMEND THE SALES AND USE TAX EXEMPTION FOR  
25 REPAIR AND REPLACEMENT OF CERTAIN  
26 MACHINERY AND EQUIPMENT.  
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28  
29 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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### SECTION 1. Legislative findings.

31 The General Assembly finds that:

32 (1) Arkansas is one (1) of the leading producers of steel in the  
33 United States, and Mississippi County, Arkansas, is ranked as one (1) of the  
34 top (2) highest steel-producing counties in the United States;  
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36 (2) The steel industry in the United States is highly competitive, and



1 there are presently rising prices and a high level of demand for raw  
2 materials in the domestic market;

3 (3) The five-year global recession that began in 2008 and current  
4 economic conditions in the steel industry are continuing to substantially  
5 affect the profitability of many Arkansas companies and to reduce the ability  
6 of Arkansas steel producers to utilize existing incentive programs that are  
7 intended to encourage capital investment in this state;

8 (4) In order to protect and preserve Arkansas jobs and encourage  
9 continuing capital investment by steel producers in this state, adjustments  
10 in the Arkansas recycling tax credit are appropriate to allow the tax credit  
11 to be utilized more fully to accomplish the purposes for which the tax credit  
12 is intended;

13 (5) The recycling tax credit is of significant importance to qualified  
14 manufacturers of steel and the State of Arkansas, and adjustments to the  
15 recycling tax credit will ensure its longevity to benefit the state and  
16 economic development within the state when a public retirement system is an  
17 investor;

18 (6) In order to protect and preserve Arkansas jobs and encourage  
19 continuing capital investment by steel producers in this state, adjustments  
20 in the retention tax credit under the Consolidated Incentive Act of 2003, §  
21 15-4-2701 et seq., are appropriate to allow the credit to be utilized more  
22 fully to accomplish the purposes for which the credit is intended; and

23 (7) The standards for the gross receipts tax exemption for repair and  
24 replacement of machinery and equipment require clarification for qualified  
25 manufacturers of steel to ensure continuing capital investment by steel  
26 producers and to protect and preserve Arkansas jobs.

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28 SECTION 2. The purpose of this act is to amend the income tax credit  
29 for waste reduction, reuse, or recycling equipment; to amend the retention  
30 tax credits under the Consolidated Incentive Act of 2003, § 15-4-2701 et  
31 seq.; to amend the sales and use tax exemption for repair and replacement of  
32 machinery and equipment for qualified manufacturers of steel; and to clarify  
33 the distribution of income tax credits for waste reduction, reuse, or  
34 recycling equipment when a public retirement system is an investor.