

1 State of Arkansas
2 93rd General Assembly
3 Regular Session, 2021
4

As Engrossed: S4/13/21

A Bill

SENATE BILL 566

5 By: Senator D. Wallace
6 By: Representatives Jett, M. Hodges, Rye
7

For An Act To Be Entitled

9 AN ACT TO AMEND THE CONSOLIDATED INCENTIVE ACT OF
10 2003; TO AMEND THE DEFINITION OF "PROJECT COSTS"
11 UNDER THE CONSOLIDATED INCENTIVE ACT OF 2003; TO
12 EXTEND THE TIME PERIOD DURING WHICH PROJECT COSTS MAY
13 BE INCURRED FOR CERTAIN RETENTION TAX CREDIT
14 PROJECTS; AND FOR OTHER PURPOSES.

Subtitle

18 TO AMEND THE DEFINITION OF "PROJECT
19 COSTS" UNDER THE CONSOLIDATED INCENTIVE
20 ACT OF 2003; AND TO EXTEND THE TIME
21 PERIOD DURING WHICH PROJECT COSTS MAY BE
22 INCURRED FOR CERTAIN RETENTION TAX CREDIT
23 PROJECTS.

26 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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28 SECTION 1. Arkansas Code § 15-4-2703(29)(C), concerning the definition
29 of "project costs" as used in the definitions under the Consolidated
30 Incentive Act of 2003, is amended to read as follows:

31 (C) Eligible project costs must be incurred within:

32 (i) ~~four~~ Four (4) years from the date a financial
33 incentive agreement was approved by the commission; or

34 (ii) Six (6) years from the date a financial
35 incentive agreement was approved by the commission in connection with a
36 project qualifying for retention tax credits under § 15-4-2706(c)(1)(A) and



1 approved on or after January 1, 2017;

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3 SECTION 2. Arkansas Code § 15-4-2706(c)(3), concerning a business's
4 application for a retention tax credit, is amended to add an additional
5 subdivision to read as follows:

6 (E) Retention tax credits earned between forty-nine (49)
7 and seventy-two (72) months after the commission approved the financial
8 incentive agreement may be taken only:

9 (i) On and after July 1, 2023;

10 (ii) After the Director of the Arkansas Economic
11 Development Commission has determined, based on evidence provided by the
12 applicant, that the applicant's investment in the part of the qualified
13 project to be completed between forty-nine (49) and seventy-two (72) months
14 after the commission approved the financial incentive agreement will generate
15 a return that will likely be equal to or greater than the amount of retention
16 tax credits under this subdivision (c)(3)(E); and

17 (iii) For an application filed with the commission
18 between June 22-28, 2017.

19 (F) The maximum amount of retention tax credits under this
20 subdivision (c)(3)(E) that may be used in any fiscal year by a qualified
21 applicant is seven hundred fifty thousand dollars (\$750,000).

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23 /s/D. Wallace
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