

1 State of Arkansas
2 94th General Assembly
3 Regular Session, 2023
4

As Engrossed: H3/14/23

A Bill

HOUSE BILL 1592

5 By: Representatives C. Fite, Duffield
6 By: Senator J. Dismang
7

For An Act To Be Entitled

9 AN ACT TO AMEND THE DIGITAL PRODUCT AND MOTION
10 PICTURE INDUSTRY DEVELOPMENT ACT OF 2009; AND FOR
11 OTHER PURPOSES.
12
13

Subtitle

15 TO AMEND THE DIGITAL PRODUCT AND MOTION
16 PICTURE INDUSTRY DEVELOPMENT ACT OF 2009.
17
18

19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
20

21 SECTION 1. Arkansas Code § 15-4-2005, as amended by Acts 2023, No.
22 204, §§ 2 and 3, is amended to read as follows:

23 15-4-2005. Production tax ~~incentive~~ incentives.

24 (a)(1) The Director of the Arkansas Economic Development Commission
25 may offer to a production company that has submitted an approved application
26 for a tax incentive under § 15-4-2007 a tax incentive of ~~twenty percent (20%)~~
27 twenty-five percent (25%) on all qualified production costs in connection
28 with the production of a state-certified film project.

29 (2) If the director approves a project for a tax incentive under
30 this section, an additional rebate or tax credit of ten percent (10%) shall
31 be granted for the payroll of below-the-line employees who are full-time
32 residents of Arkansas.

33 (b) To qualify for this tax incentive, a production company shall
34 spend at least two hundred thousand dollars (\$200,000) within a six-month
35 period in connection with the production of one (1) project.

36 (c) A state-certified production shall be granted an additional tax



1 incentive of ten percent (10%) for:

2 (1) The payroll of below-the-line employees who are:

3 (A) Full-time residents of Arkansas; or

4 (B) Veterans; or

5 (2) Expenditures paid to a veteran-owned small business for
6 qualified production costs with the state-certified production.

7 (d)(1) A state-certified production shall be granted an additional tax
8 incentive of five percent (5%) for either:

9 (A) Hiring below-the-line employees whose full-time
10 permanent address is located in a Tier 3 or Tier 4 county in the annual
11 ranking of counties established by the Arkansas Economic Development
12 Commission under § 15-4-2704; or

13 (B) Expenditures paid to a person or business for
14 qualified production costs with a state-certified production located in a
15 Tier 3 or Tier 4 county in the annual ranking of counties established by the
16 commission under § 15-4-2704.

17 (2) A state-certified production shall be granted an additional
18 tax incentive of five percent (5%) for producing a multi-project production,
19 including without limitation a television series and a multi-film project.

20 (e) A production tax incentive shall not be processed until the
21 production company has met in full all obligations to each Arkansas
22 institution and vendor owed for products or services in the state.

23 ~~(e)(f)~~ The maximum total tax incentives that shall be claimed for an
24 expenditure under this section is thirty percent (30%) of the expenditure.
25

26 SECTION 2. Arkansas Code § 15-4-2006, as amended by Acts 2023, No.
27 204, § 4, is amended to read as follows:

28 15-4-2006. Postproduction tax incentives.

29 (a)(1) The Director of the Arkansas Economic Development Commission
30 shall offer a tax credit or a rebate of ~~twenty percent (20%)~~ twenty-five
31 percent (25%) to a qualifying production company that has submitted an
32 approved application for a tax incentive under § 15-4-2007 for a tax
33 incentive on all qualified production costs in connection with the
34 postproduction of an approved state-certified film project.

35 (2) A state-certified production shall be granted an additional
36 tax incentive;

1 (A) In the amount of ten percent (10%) for:

2 ~~(A)(i)~~ The payroll of below-the-line employees who
3 are:

4 ~~(i)(a)~~ Full-time residents of Arkansas; or

5 ~~(ii)(b)~~ Veterans; or

6 ~~(B)(ii)~~ Expenditures paid to a veteran-owned
7 business for qualified production costs with the state-certified production;

8 (B) In the amount of five percent (5%) for either of the
9 following:

10 (i) Hiring below-the-line employees whose full-time
11 permanent address is located in a Tier 3 or Tier 4 county in the annual
12 ranking of counties established by the Arkansas Economic Development
13 Commission under § 15-4-2704; or

14 (ii) Expenditures paid to a person or business for
15 qualified production costs with a state-certified production located in a
16 Tier 3 or Tier 4 county in the annual ranking of counties established by the
17 commission under § 15-4-2704; and

18 (C) In the amount of five percent (5%) for producing a
19 multi-project production, including without limitation a television series
20 and a multi-film project.

21 (b) To qualify for a tax incentive under this section, a production
22 company shall spend at least fifty thousand dollars (\$50,000) within a six-
23 month period in connection with the production of one (1) project.

24 (c) A postproduction tax incentive shall not be processed until the
25 production company has met in full all obligations to each Arkansas
26 institution and vendor owed for products or services in the state.

27 (d) The maximum total tax incentives that may be claimed for a
28 qualified expenditure under this section is thirty percent (30%) of the
29 qualified expenditure.

30

31 SECTION 3. EFFECTIVE DATE. Sections 1 and 2 of this act are effective
32 for tax years beginning on or after January 1, 2023.

33

34 /s/C. Fite

35

36