Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

State of Arkansas
87th General Assembly

A Bill

Regular Session, 2009 HOUSE BILL 1861

By: Representative English

For An Act To Be Entitled

AN ACT TO EXPAND AND REFOCUS INDUSTRY EFFORTS TO CREATE JOBS IN THE RENEWABLE ENERGY RESOURCE SECTOR BY INCREASING THE INCOME TAX CREDIT ALLOWED FOR THE DESIGN, DEVELOPMENT, OR PRODUCTION OF RENEWABLE ENERGY RESOURCE PRODUCTS AND TECHNOLOGY; AND FOR OTHER PURPOSES.

Subtitle

Arkansas Emerging and Renewable Energy Technology Development Act of 2009.

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

SECTION 1. Arkansas Code § 15-4-2101 is amended to read as follows:

15-4-2101. Title.

This subchapter shall be known and may be cited as the ~~"Arkansas Emerging Technology Development Act of 1999".~~ <u>"Arkansas Emerging and Renewable Energy Technology Development Act of 2009".</u>

SECTION 2. Arkansas Code § 15-4-2102 is amended to read as follows:

15-4-2102. Legislative findings.

(a) All sectors of the Arkansas economy, job creation potential, and the physical environment are ~~driven by the flow of~~ <u>affected by the use of</u> energy and the non-stop emergence of new technologies.

(b) Energy technology plays an essential role in the efficient consumption and wise utilization of energy resources, has dramatic impacts on all state and national economies, and can help to improve environmental conditions. These facts, along with the technical, environmental. and economic conditions around the world, have resulted in the demand for improved energy technologies that focus on renewable energy resources.

(c) Leading-edge renewable energy resource technologies are being developed, demonstrated, and manufactured in other states in order to meet their own energy needs, as well as to support economic development by responding to the rapidly expanding world-wide export market for these technologies.

(d) Other emerging technologies are being developed, demonstrated, and manufactured in other states in order to support economic development by responding to the emergence of new technologies and the rapidly expanding world-wide export market for such technologies.

(e)(1) Arkansas ~~has been slow to recognize the~~ can capitalize on the potential economic and technical benefits of ~~these~~ renewable energy resources and other emerging technologies.

(2) Many of the emerging technologies are at the nanometer scale or nanoscale and are referred to collectively as nanotechnologies.

(f) Therefore, the General Assembly finds that it is in ~~Arkansas'~~ the long-term interest of Arkansas to:

(1) ~~Establish a foothold in the~~ Seize the opportunity to grow the Arkansas economy for manufacturers of advanced renewable energy resources and other emerging technologies that are magnets for capital investment and which spin off jobs that are characteristically knowledge-based; ~~and~~

(2) Encourage the application of nanotechnology to:

(A) Biotechnology and agriculture;

(B) Manufacturing and materials;

(C) Medicine and health;

(D) Photonics;

(E) Nanoelectronics and computer technology;

(F) Environment and energy;

(G) Aeronautics and space; and

(H) National security~~.~~ ; and

(3) Focus attention and effort to encourage the development of technology and industry for renewable energy resources, including without limitation:

(A) Alternative fuel sources;

(B) Hydroelectric power;

(C) Rechargeable batteries;

(D) Photovoltaic devices; and

(E) Wind power.

SECTION 3. Arkansas Code § 15-4-2104 is amended to read as follows:

15-4-2104. Credit allowance.

(a) ~~There shall be allowed a credit against the income tax imposed by the Income Tax Act of 1929, § 26-51-101 et seq., in an amount as determined in subsection (b) of this section for any Arkansas taxpayer for the cost of a facility located in Arkansas which designs, develops, or produces photovoltaic devices, electric vehicle equipment, fuel cells, microturbines, Stirling engines, or devices which are reliant upon nanotechnology~~ There is allowed a credit against the income tax imposed by the Income Tax Act of 1929, § 26-51-101 et seq., in an amount as determined in subsection (b) of this section for any Arkansas taxpayer for the cost of a facility located in Arkansas that designs, develops, or produces technology and industry for renewable energy resources, including without limitation:

(A) Alternative fuel sources;

(B) Electric vehicle equipment;

(C) Fuel cells;

(D) Hydroelectric power;

(E) Microturbines;

(F) Photovoltaic devices;

(G) Rechargeable batteries;

(H) Stirling engines

(I) Wind power; or

(J) Other devices that are reliant upon nanotechnology.

(b) The amount of the credit allowed shall be equal to ~~fifty percent (50%)~~ seventy-five percent (75%) of the amount spent during the taxable year to purchase or construct the facility, including: ~~land acquisition, infrastructure improvements, renovation, building improvements, machinery, and other manufacturing equipment.~~

(1) Land acquisition;

(2) Infrastructure improvements;

(3) Renovation;

(4) Building improvements;

(5) Machinery; and

(6) Other manufacturing equipment.

(c) The costs of service contracts unrelated to the construction of the facility and sales tax shall not be included in determining the amount of the credit.

(d)(1) ~~No~~ An income tax credit shall not be claimed by any taxpayer for any facility or equipment which was used in the manufacturing of any of the technologies listed in subsection (a) of this section on or before January 1, ~~2000~~ 2009, or for which a tax credit was previously claimed by any other taxpayer for any other tax year.

(2) However, the provisions of this subsection ~~shall~~ do not apply if any entity is sold and the entity is entitled to an income tax credit under this subchapter.

(e) This credit ~~shall not be~~ is not allowed for any portion of facility costs which were provided by federal, state, or local grants.

SECTION 4. This act is effective for tax years beginning on and after January 1, 2009.