

State of Arkansas
89th General Assembly
Regular Session, 2013

A Bill

HOUSE BILL 1697

By: Representative Leding
By: Senator D. Johnson

For An Act To Be Entitled

AN ACT TO CREATE A LIMITED INCOME TAX EXEMPTION FOR
QUALIFIED PHOTOVOLTAIC MANUFACTURERS; AND FOR OTHER
PURPOSES.

Subtitle

TO CREATE A LIMITED INCOME TAX EXEMPTION
FOR QUALIFIED PHOTOVOLTAIC MANUFACTURERS.

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

SECTION 1. Arkansas Code Title 26, Chapter 51, Subchapter 3, is amended to add an additional section to read as follows:

26-51-313. Qualified photovoltaic manufacturing exemption.

(a) There is allowed an exemption from the income tax imposed by the Income Tax Act of 1929, § 26-51-101 et seq., for the period of time determined under subsection (b) of this section for a qualified photovoltaic manufacturer.

(b) The number of years that an income tax exemption is allowed under this section is calculated as follows:

(1)(A) Multiply the proposed average hourly wage to be paid by the qualified photovoltaic manufacturer by two thousand eighty (2,080) hours.

(B) Multiply the product obtained under subdivision (b)(1)(A) of this section by the number of jobs to be created by the qualified photovoltaic manufacturer to determine the proposed annual payroll;

(2)(A) Multiply one hundred ten percent (110%) of the state's average hourly wage from the preceding calendar year by two thousand eighty



(2,080) hours.

(B) Multiply the product obtained under subdivision (b)(2)(A) of this section by one thousand (1,000);

(3) Divide the product calculated under subdivision (b)(1) of this section by the product calculated under subdivision (b)(2) of this section;

(4) Multiply the quotient calculated under subdivision (b)(3) of this section by six tenths (0.6) to determine the weighting factor for payroll;

(5) Divide the proposed investment of the qualified photovoltaic manufacturer by two hundred fifty million dollars (\$250,000,000);

(6) Multiply the quotient calculated under subdivision (b)(5) of this section by four tenths (0.4) to determine the weighting factor for investment;

(7) Add the product calculated under subdivision (b)(4) of this section to the product calculated under subdivision (b)(6); and

(8)(A) Multiply the sum calculated under subdivision (b)(7) of this section by twenty (20) and round to the nearest whole number.

(B) The number calculated under subdivision (b)(8)(A) of this section is the number of years that the income tax exemption is allowed for the qualified photovoltaic manufacturer.

(C) However, an income tax exemption allowed under this section shall not exceed twenty (20) years.

(c) As used in this section:

(1) "Photovoltaic cell" means an integrated device consisting of layers of semiconductor materials and electrical contacts capable of converting incident light directly into electricity;

(2)(A) "Photovoltaic energy system" means a solar energy device composed of one (1) or more photovoltaic cells or photovoltaic modules and an inverter or other power conditioning unit.

(B) "Photovoltaic energy system" includes batteries for energy storage or other electricity storage devices;

(3) "Photovoltaic module" means an assembly of photovoltaic cells; and

(4) "Qualified photovoltaic manufacturer" means a person that:

(A) Manufactures all or part of a:

(i) Photovoltaic energy system;

(ii) Photovoltaic cell; or

(iii) Photovoltaic module;

(B) Invests at least twenty million dollars (\$20,000,000) in a new or expanded photovoltaic manufacturing facility;

(C) Creates at least one hundred (100) new jobs;

(D) If the new or expanded photovoltaic manufacturing facility is a subsidiary of an existing Arkansas company, establishes the new or expanded photovoltaic manufacturing facility as a separate legal entity;

(E) Locates the new or expanded photovoltaic manufacturing facility in the state after January 1, 2013, but before June 30, 2023; and

(F) Signs a financial incentive agreement with the Arkansas Economic Development Commission after January 1, 2013, but before June 30, 2023.

(d) The ability to qualify for an income tax exemption under this section expires June 30, 2023.

SECTION 2. EFFECTIVE DATE. This act is effective for tax years beginning on and after January 1, 2013.