Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas
92nd General Assembly
Regular Session, 2019

A Bill

HOUSE BILL 1985

By: Representative A. Davis
By: Senator J. Dismang

For An Act To Be Entitled

AN ACT TO PROMOTE WATER RESOURCE CONSERVATION AND DEVELOPMENT; TO AMEND THE WATER RESOURCE CONSERVATION AND DEVELOPMENT INCENTIVES ACT; AND FOR OTHER PURPOSES.

Subtitle

TO PROMOTE WATER RESOURCE CONSERVATION AND DEVELOPMENT; AND TO AMEND THE WATER RESOURCE CONSERVATION AND DEVELOPMENT INCENTIVES ACT.

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

SECTION 1. Arkansas Code Title 26, Chapter 51, Subchapter 10, is amended to add an additional section to read as follows:

26-51-1015. Transfer of credit.

(a) The income tax credits allowed under this subchapter may be transferred.

(b) A transferee from an original approved applicant under this subchapter is entitled to an income tax credit under this subchapter only to the extent the income tax credit is still available to and has not previously been used by the transferor.

(c) A transferee of income tax credits under this subchapter that seeks to qualify for the income tax credits provided in this subchapter shall obtain and attach to the transferee's income tax return for the years the income tax credit is claimed a certified statement from the transferor

stating the:

(1) Name and address of the original purchaser and all transferees;

(2) Tax identification number of all persons entitled to any portion of the original income tax credit;

(3) Original date the income tax credit was approved;

(4) Amount of the income tax credit associated with the transfer of the income tax credit;

(5) Original amount of the income tax credit; and

(6) Remaining amount of the income tax credit that is available for use by the transferee.

(d) A transferee under this section is subject to the carry-over provisions provided in this subchapter based on the taxable year in which the income tax credit originated.

(e)(1) If a project is not completed or maintained for the total number of years required under § 26-51-1011, the transferor that originally received the income tax credit under this subchapter is responsible for refunding the income tax credit to the Department of Finance and Administration as provided in § 26-51-1011.

(2) The transferee of an income tax credit under this subchapter is not liable for the repayment of the income tax credit allowed under this subchapter if the transferor that originally received the income tax credit fails to complete or maintain the project under § 26-51-1011.

(f) An owner or holder that assigns part or all of an income tax credit under this section shall perfect the transfer by notifying the Department of Finance and Administration in writing within thirty (30) calendar days following the effective date of the transfer and shall provide any information as may be required by the department to administer and carry out this subchapter and to ensure proper tracking of the ownership of the unused income tax credit.

SECTION 2. EFFECTIVE DATE. Section 1 of this act is effective for tax years beginning on or after January 1, 2020.