

State of Arkansas
93rd General Assembly
Regular Session, 2021

A Bill

HOUSE BILL 1771

By: Representative S. Meeks

For An Act To Be Entitled

AN ACT TO CREATE AN INCOME TAX CREDIT FOR IMPROVEMENTS OR ADDITIONS TO BROADBAND TELECOMMUNICATIONS SERVICES IN CERTAIN AREAS; AND FOR OTHER PURPOSES.

Subtitle

TO CREATE AN INCOME TAX CREDIT FOR IMPROVEMENTS OR ADDITIONS TO BROADBAND TELECOMMUNICATIONS SERVICES IN CERTAIN AREAS.

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

SECTION 1. Arkansas Code Title 26, Chapter 51, Subchapter 5, is amended to add an additional section to read as follows:

26-51-515. Broadband telecommunications infrastructure.

(a) There is allowed an income tax credit against the income tax imposed by this chapter equal to twenty-five percent (25%) of the amount a taxpayer expends for the installation, construction, reconstruction or erection of improvements to or additions of broadband telecommunications infrastructure that result in the provision or expansion of broadband telecommunications service that:

(1) Has a download speed of at least twenty-five (25) megabytes per second and an upload speed of at least three (3) megabytes per second; and

(2) Services unincorporated areas of the state or municipalities in this state that have a population of less than ten thousand (10,000).



(b) The amount of the income tax credit under this section that may be claimed by the taxpayer in a tax year shall not exceed the amount of income tax due by the taxpayer.

(c) Any unused income tax credit under this section may be carried forward for three (3) consecutive tax years following the tax year in which the income tax credit was earned.

(d) The Department of Finance and Administration shall adopt rules to implement this section, including without limitation rules regarding the evidence required to prove the location of the improvements to or additions of broadband telecommunications infrastructure and the speed of the broadband telecommunications service provided.

SECTION 2. EFFECTIVE DATE. Section 1 of this act is effective for tax years beginning on or after January 1, 2022.

SECTION 3. DO NOT CODIFY. Rules.

(a) When adopting the initial rules required under this act, the Department of Finance and Administration shall file the final rules with the Secretary of State for adoption under § 25-15-204(f):

(1) On or before January 1, 2022; or

(2) If approval under § 10-3-309 has not occurred by January 1, 2022, as soon as practicable after approval under § 10-3-309.

(b) The department shall file the proposed rules with the Legislative Council under § 10-3-309(c) sufficiently in advance of January 1, 2022, so that the Legislative Council may consider the rules for approval before January 1, 2022.