

State of Arkansas
93rd General Assembly
Regular Session, 2021

A Bill

SENATE BILL 356

By: Senator D. Wallace

For An Act To Be Entitled

AN ACT TO AMEND THE LAW GOVERNING THE INCOME TAX CREDIT FOR WASTE REDUCTION, REUSE, OR RECYCLING EQUIPMENT; TO AMEND THE DEFINITION OF “QUALIFIED SPECIALTY STEEL PRODUCTS MANUFACTURING FACILITY”; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE LAW GOVERNING THE INCOME TAX CREDIT FOR WASTE REDUCTION, REUSE, OR RECYCLING EQUIPMENT; AND TO AMEND THE DEFINITION OF “QUALIFIED SPECIALTY STEEL PRODUCTS MANUFACTURING FACILITY”.

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

SECTION 1. Arkansas Code § 26-51-506(b)(11), concerning the definitions used for the income tax credit for waste reduction, reuse, or recycling equipment, is amended to read as follows:

(11) “Qualified steel specialty products manufacturing facility” means a facility:

(A) For which the taxpayer commenced construction on or after January 1, ~~2017~~ 2021;

(B) That is located in Arkansas;

(C) That melts scrap steel in an electric arc or similar furnace to produce one (1) or more specialty steel products, including without limitation billets, structural shapes, reinforcing bars, coiled reinforcing bars, wire rods, and merchant bars;



(D) In which the taxpayer has a total investment in excess of two hundred million dollars (\$200,000,000);

(E) That is undertaken by a taxpayer that has entered into an agreement with the State of Arkansas in which the taxpayer made a commitment to create at least one hundred fifty (150) net new direct positions and independent direct positions as those terms are defined in Acts 2013, No. 1084, § 8, with an average annual wage of at least seventy-five thousand dollars (\$75,000);

(F) That provides a positive cost-benefit analysis to the state as determined by the Arkansas Economic Development Commission and the Office of Economic Analysis and Tax Research before an incentive agreement between the state and the taxpayer is executed;

(G) That is certified as having a closing date before July 1, ~~2018~~ 2023, by which the taxpayer has certified and the state has verified that necessary capital acquisition and borrowing for the qualified steel specialty products manufacturing facility has occurred to:

- (i) Secure a site;
- (ii) Obtain engineering services;
- (iii) Purchase equipment; and
- (iv) Commence initial construction; and

(H) That is undertaken by a taxpayer that has elected by agreement with the State of Arkansas for the facility to be classified as a qualified steel specialty products manufacturing facility under this section;

SECTION 2. Arkansas Code § 26-51-506(c)(3)(D)(iii)(c), concerning tax credits in the possession and control of a public retirement system in connection with the tax credit for waste reduction, reuse, or recycling equipment, is amended to read as follows:

(c) No more than the following amounts of the tax credits in possession and control of the public retirement system with respect to a ~~qualified expansion project~~ qualified steel specialty products manufacturing facility pursuant to subdivision (c)(3)(D)(i) of this section may be sold or transferred each year:

(1) For a total investment in the qualified steel specialty products manufacturing facility of at least two hundred million dollars (\$200,000,000) but less than two hundred seventy-five

million dollars (\$275,000,000), four million dollars (\$4,000,000);

(2) For a total investment in the qualified steel specialty products manufacturing facility of at least two hundred seventy-five million dollars (\$275,000,000) but less than three hundred fifty million dollars (\$350,000,000), five million dollars (\$5,000,000); and

(3) For a total investment in the qualified steel specialty products manufacturing facility of at least three hundred fifty million dollars (\$350,000,000), six million five hundred thousand dollars (\$6,500,000).

SECTION 3. EFFECTIVE DATE. Sections 1 and 2 of this act are effective for tax years beginning on or after January 1, 2021.