

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

State of Arkansas  
93rd General Assembly  
Regular Session, 2021

As Engrossed: S4/13/21 S4/15/21  
**A Bill**

SENATE BILL 566

By: Senator D. Wallace

By: Representatives Jett, M. Hodges, Rye

### **For An Act To Be Entitled**

AN ACT TO AMEND THE CONSOLIDATED INCENTIVE ACT OF 2003; TO AMEND THE DEFINITION OF "PROJECT COSTS" UNDER THE CONSOLIDATED INCENTIVE ACT OF 2003; TO EXTEND THE TIME PERIOD DURING WHICH PROJECT COSTS MAY BE INCURRED FOR CERTAIN RETENTION TAX CREDIT PROJECTS; AND FOR OTHER PURPOSES.

### **Subtitle**

TO AMEND THE DEFINITION OF "PROJECT COSTS" UNDER THE CONSOLIDATED INCENTIVE ACT OF 2003; AND TO EXTEND THE TIME PERIOD DURING WHICH PROJECT COSTS MAY BE INCURRED FOR CERTAIN RETENTION TAX CREDIT PROJECTS.

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

SECTION 1. Arkansas Code § 15-4-2703(29)(C), concerning the definition of "project costs" as used in the definitions under the Consolidated Incentive Act of 2003, is amended to read as follows:

(C) Eligible project costs must be incurred within:  
(i) ~~four~~ Four (4) years from the date a financial incentive agreement was approved by the commission; or  
(ii) Six (6) years from the date a financial incentive agreement was approved by the commission in connection with a project qualifying for retention tax credits under § 15-4-2706(c)(1)(A) and



approved on or after June 22, 2017;

SECTION 2. Arkansas Code § 15-4-2706(c)(3), concerning a business's application for a retention tax credit, is amended to add an additional subdivision to read as follows:

(E) Retention tax credits earned between forty-nine (49) and seventy-two (72) months after the commission approved the financial incentive agreement may be taken only:

(i) On and after July 1, 2023;

(ii) After the Director of the Arkansas Economic Development Commission has determined, based on evidence provided by the applicant, that the applicant's investment in the part of the qualified project to be completed between forty-nine (49) and seventy-two (72) months after the commission approved the financial incentive agreement will generate a return that will likely be equal to or greater than the amount of retention tax credits under this subdivision (c)(3)(E); and

(iii) For an application filed with the commission between June 22-28, 2017.

(F) The maximum amount of retention tax credits under this subdivision (c)(3)(E) that may be used in any fiscal year by a qualified applicant is seven hundred fifty thousand dollars (\$750,000).

/s/D. Wallace