

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

State of Arkansas  
94th General Assembly  
Regular Session, 2023

As Engrossed: H3/14/23 H3/16/23  
**A Bill**

HOUSE BILL 1592

By: Representatives C. Fite, Duffield

By: Senator J. Dismang

### For An Act To Be Entitled

AN ACT TO AMEND THE DIGITAL PRODUCT AND MOTION  
PICTURE INDUSTRY DEVELOPMENT ACT OF 2009; AND FOR  
OTHER PURPOSES.

### Subtitle

TO AMEND THE DIGITAL PRODUCT AND MOTION  
PICTURE INDUSTRY DEVELOPMENT ACT OF 2009.

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

SECTION 1. Arkansas Code § 15-4-2005, as amended by Acts 2023, No. 204, §§ 2 and 3, is amended to read as follows:

15-4-2005. Production tax ~~incentive~~ incentives.

(a)(1) The Director of the Arkansas Economic Development Commission may offer to a production company that has submitted an approved application for a tax incentive under § 15-4-2007 a tax incentive of ~~twenty percent (20%)~~ twenty-five percent (25%) on all qualified production costs in connection with the production of a state-certified film project.

(2) If the director approves a project for a tax incentive under this section, an additional rebate or tax credit of ten percent (10%) shall be granted for the payroll of below-the-line employees who are full-time residents of Arkansas.

(b) To qualify for this tax incentive, a production company shall spend at least two hundred thousand dollars (\$200,000) within a six-month period in connection with the production of one (1) project.

(c) A state-certified production shall be granted an additional tax



incentive of ten percent (10%) for:

(1) The payroll of below-the-line employees who are:

- (A) Full-time residents of Arkansas; or
- (B) Veterans; or

(2) Expenditures paid to a veteran-owned small business for qualified production costs with the state-certified production.

(d)(1) A state-certified production shall be granted an additional tax incentive of five percent (5%) for either:

(A) Hiring below-the-line employees whose full-time permanent address is located in a Tier 3 or Tier 4 county in the annual ranking of counties established by the Arkansas Economic Development Commission under § 15-4-2704; or

(B) Expenditures paid to a person or business for qualified production costs with a state-certified production located in a Tier 3 or Tier 4 county in the annual ranking of counties established by the commission under § 15-4-2704.

(2) A state-certified production shall be granted an additional tax incentive of five percent (5%) for producing a multi-project production, including without limitation a television series and a multi-film project.

(e) A production tax incentive shall not be processed until the production company has met in full all obligations to each Arkansas institution and vendor owed for products or services in the state.

~~(e)~~(f) The maximum total tax incentives that shall be claimed for an expenditure under this section is thirty percent (30%) of the expenditure.

SECTION 2. Arkansas Code § 15-4-2006, as amended by Acts 2023, No. 204, § 4, is amended to read as follows:

15-4-2006. Postproduction tax incentives.

(a)(1) The Director of the Arkansas Economic Development Commission shall offer a tax credit or a rebate of ~~twenty percent (20%)~~ twenty-five percent (25%) to a qualifying production company that has submitted an approved application for a tax incentive under § 15-4-2007 for a tax incentive on all qualified production costs in connection with the postproduction of an approved state-certified film project.

(2) A state-certified production shall be granted an additional tax incentive:

(A) In the amount of ten percent (10%) for:

~~(A)(i)~~ The payroll of below-the-line employees who are:

~~(i)(a)~~ Full-time residents of Arkansas; or

~~(ii)(b)~~ Veterans; or

~~(B)(ii)~~ Expenditures paid to a veteran-owned business for qualified production costs with the state-certified production;

(B) In the amount of five percent (5%) for either of the following:

(i) Hiring below-the-line employees whose full-time permanent address is located in a Tier 3 or Tier 4 county in the annual ranking of counties established by the Arkansas Economic Development Commission under § 15-4-2704; or

(ii) Expenditures paid to a person or business for qualified production costs with a state-certified production located in a Tier 3 or Tier 4 county in the annual ranking of counties established by the commission under § 15-4-2704; and

(C) In the amount of five percent (5%) for producing a multi-project production, including without limitation a television series and a multi-film project.

(b) To qualify for a tax incentive under this section, a production company shall spend at least fifty thousand dollars (\$50,000) within a six-month period in connection with the production of one (1) project.

(c) A postproduction tax incentive shall not be processed until the production company has met in full all obligations to each Arkansas institution and vendor owed for products or services in the state.

(d) The maximum total tax incentives that may be claimed for a qualified expenditure under this section is thirty percent (30%) of the qualified expenditure.

SECTION 3. EFFECTIVE DATE. Sections 1 and 2 of this act are effective for financial incentive agreements signed on or after the effective date of this act.

/s/C. Fite