

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

State of Arkansas
95th General Assembly
Regular Session, 2025

A Bill

SENATE BILL 465

By: Senator B. Davis

By: Representative Dalby

For An Act To Be Entitled

AN ACT TO AMEND THE CONSOLIDATED INCENTIVE ACT OF 2003; TO PROVIDE FOR A SALES AND USE TAX REFUND FOR A SPECULATIVE DEVELOPMENT PROJECT; TO REQUIRE CONCURRENT FINANCIAL INCENTIVE AGREEMENTS UNDER THE CONSOLIDATED INCENTIVE ACT OF 2003 IN CERTAIN CIRCUMSTANCES; AND FOR OTHER PURPOSES.

Subtitle

TO PROVIDE FOR A SALES AND USE TAX REFUND FOR A SPECULATIVE DEVELOPMENT PROJECT; AND TO REQUIRE CONCURRENT FINANCIAL INCENTIVE AGREEMENTS UNDER THE CONSOLIDATED INCENTIVE ACT OF 2003.

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

SECTION 1. Arkansas Code § 15-4-2705, concerning the job-creation tax credit under the Consolidated Incentive Act of 2003, is amended to add an additional subsection to read as follows:

(i) If a qualified business executes a financial incentive agreement under this section and under § 15-4-2706 that concern the same project, the financial incentive agreement executed under this section shall be executed within twenty-four (24) months of the execution of the financial incentive agreement under § 15-4-2706.

SECTION 2. Arkansas Code § 15-4-2706(d), concerning state and local sales and use tax refunds under the Consolidated Incentive Act of 2003, is



amended to add an additional subdivision to read as follows:

(6)(A) For purposes of this subsection, a developer of a speculative development project is a qualified business if the developer:

(i) Invests at least twenty-five million dollars (\$25,000,000) in the speculative development project, including without limitation the land, buildings, and equipment used in the speculative development project; and

(ii) Meets the requirements stated for a qualified business under subdivisions (d)(1)-(5) of this section.

(B) As used in this subdivision (d)(6), "speculative development project" means the construction, development, or modernization of a basic structure of flexible design that:

(i) Is erected for the eventual sale or lease to a purchaser or tenant requiring appropriate facilities; and

(ii) Has at least one hundred thousand (100,000) square feet of usable space.

SECTION 3. Arkansas Code § 15-4-2706, concerning investment tax credits under the Consolidated Incentive Act of 2003, is amended to add an additional subsection to read as follows:

(f) If a qualified business executes a financial incentive agreement under this section and under § 15-4-2705 or § 15-4-2707 that concern the same project, the financial incentive agreement executed under this section shall be executed within twenty-four (24) months of the execution of the financial incentive agreement under § 15-4-2705 or § 15-4-2707.

SECTION 4. Arkansas Code § 15-4-2707, concerning the Economic Development Incentive Fund, is amended to add an additional subsection to read as follows:

(f) If a qualified business executes a financial incentive agreement under this section and under § 15-4-2706 that concern the same project, the financial incentive agreement executed under this section shall be executed within twenty-four (24) months of the execution of the financial incentive agreement under § 15-4-2706.

SECTION 5. EFFECTIVE DATE. Sections 1-4 of this act are effective on

and after October 1, 2025.