

Title 15. Natural Resources and Economic Development

Chapter VIII. Arkansas Economic Development Commission, Department of Commerce

Subchapter C. Community Development Grants

Part 180. Arkansas Public Roads Improvements Tax Credit Program

Subpart 1. Generally

15 CAR § 180-101. Introduction.

(a) In order to facilitate the construction of specific capital improvement projects, the Arkansas Public Roads Improvements Credit Act, Acts 1999, No. 1347, was passed by the 82nd General Assembly of the State of Arkansas.

(b) The Arkansas Economic Development Commission has the authority to administer the program under the Arkansas Public Roads Improvements Credit Act.

(c) The goal of the program is to provide an income tax credit incentive to any individual, fiduciary, or corporation subject to Arkansas state income tax to make contributions in aid of the construction of public roads through the Public Roads Incentive Fund.

Authority. Arkansas Code § 15-4-2307.

15 CAR § 180-102. Definitions.

As used in this part:

- (1) "Capital improvements" means capital improvements for public roads;
- (2) "Commission" means the Arkansas Economic Development Commission;
- (3) "Contribution" means a contribution in aid of construction of a public road project made by a taxpayer to the Public Roads Incentive Fund;
- (4) "Contribution in aid of construction" means a direct contribution of cash made by a taxpayer for public road improvements;
- (5) "County" means any county in the State of Arkansas;

(6) "Director" means the Director of the Arkansas Economic Development Commission;

(7) "Fund" means the Public Roads Incentive Fund;

(8) "Governing authority" means the:

(A) Quorum court of a county;

(B) Governing body of a municipality; and

(C) State Highway Commission;

(9) "Municipality" means any city or incorporated town in the State of Arkansas;

(10) "Project" means all, any combination, or any part of the capital improvements for public roads that are:

(A) Authorized by a governing authority; and

(B) Approved by the Director of the Arkansas Economic Development Commission;

(11) "Public roads" means roads maintained by a governing authority; and

(12) "Taxpayer" includes any individual, fiduciary, or corporation subject to Arkansas state income tax.

Authority. Arkansas Code § 15-4-2307.

15 CAR § 180-103. To contribute to the Public Roads Incentive Fund.

(a) **Contributions.** Eligible contributors include any taxpayer subject to Arkansas state income tax that contributes to the Public Roads Incentive Fund of the Arkansas Economic Development Commission.

(b) The Public Roads Incentive Fund shall consist of:

(1) Contributions made by taxpayers for public roads projects approved by the Director of the Arkansas Economic Development Commission; and

(2) Any other funds as are designated or deposited to the fund by law.

(c)(1) Each taxpayer that contributes to the Public Roads Incentive Fund may:

(A) Make a general contribution; or

(B) Designate a project for which the contribution is earmarked.

(2) When donations are made for dedicated projects, a separate account will be established.

(d)(1) To contribute to the Public Roads Incentive Fund, the taxpayer must send a completed application and a contribution for the Public Roads Incentive Fund to the commission.

(2) An application can be obtained by contacting the Arkansas Economic Development Commission Incentives Manager.

(e) The contribution will be transmitted to the Treasurer of State for deposit into the Public Roads Incentive Fund.

Authority. Arkansas Code § 15-4-2307.

15 CAR § 180-104. To apply for public roads funding assistance.

(a) Applicants.

(1) Governing authorities may apply to the Director of the Arkansas Economic Development Commission for funding assistance for capital improvement projects for public roads as provided by the Arkansas Public Roads Improvements Credit Act, Acts 1999, No. 1347.

(2) The director is authorized to approve capital improvements for funding assistance upon a finding that:

(A) A project is in the public interest; and

(B) There are sufficient dedicated project funds, when combined with the requested funds from the Public Roads Incentive Fund, to complete the project.

(b) Applicants must provide documentation that there are sufficient dedicated project funds available, when combined with the amount requested from the Public Roads Incentive Fund, to complete the improvement project.

(c)(1) The application, endorsement resolution, and project plan must be sent to the Arkansas Economic Development Commission for review.

(2) An application may be obtained by contacting the Arkansas Economic Development Commission Incentives Manager.

(d) The application must include:

(1) A city or county endorsement resolution or a copy of a minute order from the State Highway Commission;

(2) A completed application with a project plan; and

(3) Documentation of sufficient dedicated project funds to complete the improvement project.

Authority. Arkansas Code § 15-4-2307.

15 CAR § 180-105. Powers and duties of the Arkansas Economic Development Commission.

(a)(1) The Director of the Arkansas Economic Development Commission will determine whether or not:

(A) The project is in the public interest; and

(B) There are sufficient dedicated project funds, when combined with the requested funds from the Public Roads Incentive Fund, to complete the project.

(2) If the director determines that the project is in the public interest and that sufficient funding is available:

(A) The governing authority will be informed; and

(B) A subaccount will be established for the project.

(b) Any project that is submitted to the Arkansas Economic Development Commission for approval will have to be fully funded before the commission will release funds for the project.

(c) Any contributions that remain in a project account after a project is completed or terminated will be:

(1) Held; and

(2) Applied to other public roads projects approved by the director.

(d)(1) A separate account will be established for each project, and contributions specified for a project shall be applied to that account.

(2) The director is authorized to assist the governing authority in obtaining assistance from any other department of state government.

(3) When sufficient funds are accumulated for a particular project, the director will authorize the release of funds for the project.

Authority. Arkansas Code § 15-4-2307.

15 CAR § 180-106. Administration of benefits.

(a) Eligible taxpayers will be entitled to a state income tax credit that may be applied in any tax year after January 1, 1999.

(b) The credit shall be determined in the following manner:

(1) The credit is limited to an amount not to exceed thirty-three percent (33%) of the taxpayer's contribution;

(2) In any one (1) tax year, the credit allowed shall not exceed one hundred percent (100%) of the taxpayer's net Arkansas state income tax liability; and

(3) Any credit over one hundred percent (100%) of the taxpayer's net Arkansas state income tax liability for any one (1) tax year may be carried forward and applied against Arkansas state income tax for the next succeeding tax year (subject to the same terms as in subdivision (b)(2) of this section, above) and annually thereafter for a total period of ten (10) years next succeeding the year in which the credit arose or until the credit is exhausted, whichever occurs first.

(c)(1) The Arkansas Economic Development Commission will issue a letter certifying the amount contributed to the Public Roads Incentive Fund.

(2) This certification must be attached to the taxpayer's income tax return in order to claim the credit.

Authority. Arkansas Code § 15-4-2307.