

Consolidated Incentive Act of 2003

Advantage Arkansas Program

General Instructions-Income Tax Credits

- 1) Eligible participants must have entered into a financial incentive agreement with the Arkansas Economic Development Commission (AEDC) in order to receive the investment income tax credits under this program. To receive these credits, the following forms must be submitted:

- a. Employee Payroll Certification Audit Request

This form shall be used by the approved Advantage Arkansas Program business to request an audit to determine the amount of credit for each tax year. No credit could be possible in the initial year if there are not 26 weeks from the agreement date to the tax year-end date; therefore, an "employee audit" would not be required. All information requested on this form must be provided.

- b. New Full Time Permanent Employee Worksheet

For convenience, the business is encouraged to use computer-generated spreadsheets that contain the required information. The worksheet(s) shall substantiate qualified new full time permanent employees and their annual wages. A new full time permanent employee means a position or job that was created pursuant to the signed financial incentive agreement and is filled by one or more employees or contractual employees. It is essential that records be maintained for each new position detailing information on the employee(s) that worked in that position. This includes information such as position control number, date position created, employees' name, social security number, hire date and termination date. Also, it will be necessary to provide records to show the existing employees prior to the business being approved for the program.

New hires that replaced existing employees cannot be considered as new employees. For those companies that hire contractual employees, the law specifically states that they must be offered a benefits package comparable to a direct employee of the business seeking incentives.

The worksheet(s) must include only those jobs filled by an employee for an average of at least 30 hours per week for at least 26 consecutive weeks. If more than one employee works in the same position, list them in the order of their respective hire dates.

- 2) The above items should be completed at the end of each tax year in which the business is entitled to receive benefits. This information must be mailed to the following address:

Department of Finance and Administration
Tax Credits/Special Refunds Section
P.O. Box 8054, Little Rock, AR 72203-8054

- 3) Upon receipt of the completed Employee Payroll Certification Audit Request and New Full Time Permanent Employee Worksheet(s), the information will be forwarded to the Office of Field Audit for review. An Auditor will follow up with the contact person for the company and arrangements will be made to meet at a mutually convenient time. **Note:** Failure to submit the required documents timely, or in the manner requested, may cause delay in the issuance of the tax credits.
- 4) After the Audit review is completed, a Certificate of Income Tax Credit will be issued by the Tax Credits/Special Refunds Section. Unused credits may be carried forward for up to nine (9) years after the tax year in which the credit was first earned.
- 5) In addition to the above procedures, the business must comply with all provisions provided within the Consolidated Incentive Act of 2003, and any such promulgated rules and regulations.

Should you have any questions regarding these procedures, please contact this office at (501) 682-7106.

**STATE OF ARKANSAS
CONSOLIDATED INCENTIVE ACT OF 2003**

**ADVANTAGE ARKANSAS PROGRAM
EMPLOYEE PAYROLL CERTIFICATION AUDIT REQUEST**

I, _____, (an officer, partner, or sole proprietor) of
_____, (Business Name) hereby request an
employee payroll certification audit to determine eligibility and amount of the Income Tax
Credit applicable for the tax year ending _____.

For the payroll period _____ - _____, I certify that the number of new full time
permanent employees is _____ and their payroll is _____, as evidenced by the
attached New Full Time Permanent Employee Worksheet(s).

Business Name: _____ FEIN: _____

Mailing Address: _____ Phone #: _____

Project Location: _____

AEDC Project #: _____

Contact Person: _____ Phone #: _____

Signature/Title: _____ Date: _____

This form must be submitted at the end of each tax year. A separate form should be submitted for each tax year being audited. The New Full Time Permanent Employee Worksheet(s) must be completed and submitted with this form before the request is assigned for verification.

Send this form and the required worksheets to:

Department of Finance and Administration
Tax Credits/Special Refunds Section
P. O. Box 8054
Little Rock, AR 72203

ARKANSAS DEPARTMENT OF FINANCE AND ADMINISTRATION

**CONSOLIDATED INCENTIVE ACT OF 2003
ADVANTAGE ARKANSAS PROGRAM
NEW FULL TIME PERMANENT EMPLOYEE WORKSHEET**

Business Name _____ Plan Agreement Date _____

Payroll Period _____ - _____ Tax Year _____

Employee Name	Position Number	Social Security Number	Hire Date	Discharge Date	Annual Taxable Wage
Page Total					

IMPORTANT: List only those jobs or positions filled by an employee for an average of at least 30 hours per week for at least 26 consecutive weeks during the tax year. Include qualified jobs created last year that did not meet the 26 consecutive week/30 hour requirement until this year.