

STATE OF ARKANSAS
DEPARTMENT OF FINANCE AND ADMINISTRATION
TAX CREDITS/SPECIAL REFUNDS SECTION
CONSOLIDATED INCENTIVE ACT OF 2003

GENERAL INSTRUCTIONS - ARKPLUS PROGRAM INCOME TAX CREDIT

- 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: (Copies are included for your use)

a. Annual Incentive Plan Expenditure Report

This report must be filed at the end of the tax year which the requisite investment threshold has been met and for each tax year, or part thereof, during the term of the agreement. This report shall account for those investment costs made in connection with the project. Investment costs for the qualified project must be incurred within four (4) years from the date of the financial incentive agreement. An itemized schedule must be submitted detailing such information as vendor, invoice numbers, invoice date, description of expenditure, and other information substantiating amounts shown on this form. Source documents must be available when verification takes place by the Department of Finance & Administration.

b. Employee Payroll Certification

This form shall be used to certify to the Department of Finance and Administration that the business has reached the requisite payroll of the new full time permanent employees. It shall be submitted each subsequent tax year to certify that the annual payroll threshold of the new full time permanent employees has been maintained. "New full time permanent employee" means a position or job which was created as a result of the financial incentive agreement and that is filled by one or more employees or contractual employees who were Arkansas taxpayers. The position or job held by the employee shall have been filled for at least 26 consecutive weeks with an average of at least 30 hours per week. In order to qualify for the provisions of this act a contractual employee must be offered a benefits package comparable to a direct employee of the business.

c. New Full Time Permanent Employee Worksheet

These worksheets shall substantiate qualified new full time permanent employees and their annual wages. 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, employee's 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.

- 2) The above items should be completed as explained above and 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 above items, the information will be forwarded to a field tax auditor for review. The contact person for the company will be notified of the review 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 earning tax credits.
- 4) After the review is completed by the auditor, this office will issue an Income Tax Credit Memorandum. The amount of credit taken in any tax year shall not exceed 50% of the business's income tax liability resulting from the project or facility. 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
ARKPLUS PROGRAM
ANNUAL INCENTIVE PLAN EXPENDITURE REPORT

I, _____, certify that _____
Print name of Corporate Officer Company Name shown on ArkPlus Agreement & Project Number

incurred the following project costs pursuant to the signed incentive agreement dates _____. Pursuant to the agreement, an income tax credit will be issued for the year in which the requisite investment threshold of \$ _____ for tier level _____ is met, and for each subsequent tax year, or part thereof, during the the term agreement.

Land	\$ _____
Building	\$ _____
Machinery & Equipment	\$ _____
Costs Related to Licensing and Protecting Intellectual Property	\$ _____
Total Qualified Investment Cost	\$ _____
Credit equal to 10% of Total Qualified Investment Cost	\$ _____

An itemized schedule including a description of the expenditures, expenditure amounts, vendor names, invoice numbers, invoice dates must be attached. Failure to submit all required information will result in a delay in the issuance of credit.

Authorized Signature and Title	Date	Telephone number	
Address	City	State	Zip Code
Contact Person's Name	Contact Person's Telephone Number		
Type of Entity*	FEIN		

*For an entity other than C Corporation, please attach a separate schedule listing each shareholder or partner, their social security number or FEIN, and percentage of ownership so that credit can be properly allocated.

Mail the completed form to: Department of Finance and Administration
 Tax Credits/Special Refunds Section
 P.O. Box 8054 (Room 2370)
 Little Rock, AR 72203

Consolidated Incentive Act of 2003 Arkplus Program

New Full Time Permanent Employee Payroll Certification

I, _____ (Principal Officer) of _____, certify to the Department of Finance and Administration that the company has met the minimum annual payroll threshold of \$_____ required for tier level _____ as of _____ (Mo, day and yr), in compliance with the financial incentive agreement dated _____ between the Arkansas Department of Economic Development and "Company".

Pursuant to the financial incentive agreement, the company shall recertify the number of new full time permanent employees and payroll amounts annually for term of the agreement for the period _____ through _____. I certify that the number of new full time permanent employees is _____ and their annual payroll is \$_____. (As evidenced by the attached New Full Time Permanent Employee Worksheets)

Signature/Title: _____ Date: _____

Contact Person: _____ Phone # _____

Send the completed New Full Time Permanent Employee Payroll Certification and New Full Time Permanent Employee Worksheet(s) 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
ARKPLUS 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.