

Recap of State Incentives

Create Rebate	4.5% of Payroll	Annual Cash Rebate
ArkPlus	10% of Investment	Income Tax Credit
Advantage Arkansas	3% of Payroll	Income Tax Credit
Tax Back	Sales Tax	Sales Tax Refund

Create Rebate

Offered at the discretion of the director of the Arkansas Economic Development Commission in highly competitive situations. Create Rebate would provide annual cash payments of 4.5% of annual payroll for new, full-time, permanent employees. A minimum payroll of new, full-time, permanent employees of \$2 million annually is required.

ArkPlus

Offered at the discretion of the director of the Arkansas Economic Development Commission in highly competitive situations. ArkPlus is a state income tax credit program that provides tax credits of 10% of the total investment in a new location or expansion project. ArkPlus requires both a minimum investment of \$3 million and a minimum payroll of \$1.2 million for new, full-time, permanent employees hired as a result of the project. Total project expenditures must be incurred within four years of the date the project is approved by ADED. New, full-time, permanent employees must be hired within 24 months of the date the financial agreement is signed. The income tax credits may be used to offset 50% of the Arkansas income tax liability in the tax year the credit is earned. Any unused credits may be carried forward for nine years beyond the tax year in which the credit was first earned.

Advantage Arkansas

This incentive would offer a state income tax credit of 3% for its full-time, permanent payroll for jobs created as a result of the project (minimum payroll of \$75,000). The income tax credit is earned each tax year for a period of five years. The income tax credit cannot offset more than 50 percent of a business' income tax liability in any one year and may be carried forward for nine years beyond the tax year in which the credit was first earned. The credit begins in the tax year in which the new employees are hired. Employees must be Arkansas taxpayers.

Tax Back

Advantage Arkansas participants investing at least \$100,000 are eligible for the Tax Back program. This program provides a refund of sales and use taxes for building materials and taxable machinery and equipment associated with the approved project. The business must sign a job-creation agreement under the Advantage Arkansas program within 24 months of signing the Tax Back agreement. Applicants for Tax Back must obtain an endorsement resolution from the local governing authority that authorizes the refund of its local taxes. Applicants must meet the same qualification criteria as Advantage Arkansas and must be approved by the Arkansas Economic Development Commission.