



## States' Biofuels Statutes

### STATE OF ARKANSAS

*This project was undertaken in partnership with the USDA Office of the Chief Economist, The Office of Energy Policy and New Uses. For information on the full project, visit [States' Biofuels Statutory Citations](#). These statutes are placed in reverse chronological order using the date of the most recent amendment to the statute. Many biofuels laws were enacted as amendments to previously passed laws.*

*Current through the 2013 Legislative Session of the Arkansas General Assembly.*

#### **§ 15-4-2801. Title**

This subchapter shall be known and may be cited as the “Biodiesel Incentive Act”.

**Credits:** Acts of 2003, Act 1287, § 1, eff. July 16, 2003.

#### **§ 15-4-2802. Definitions**

As used in this subchapter:

- (1) “Biodiesel fuel” means a diesel fuel substitute produced from nonpetroleum renewable resources that meets the registration requirements for fuels and fuel additives established under the Energy Policy Act of 1992, 42 U.S.C. §§ 13211 --13219, as in effect on January 1, 2005;
- (2) “Biodiesel mixture” means a mixture of biodiesel fuel and undyed, clear distillate special fuel that is suitable for use in motor vehicles on Arkansas highways and determined without regard to any use of kerosene that is:
  - (A) Sold by the supplier producing biodiesel mixture to any person for use as a fuel; or
  - (B) Used as a fuel by the supplier producing the biodiesel mixture;
- (3) “Biodiesel producer” means a business located in the State of Arkansas that uses agricultural crops, agricultural residues, or waste products, excluding recycled oils, to manufacture biodiesel fuels;
- (4) “Commission” means the Alternative Fuels Commission; and
- (5) “Supplier” means any person who:

(A) Is customarily in the wholesale business of offering distillate special fuels or liquefied gas special fuels for resale or use to any person in this state; and

(B) Makes bulk sales of fuel.

**Credits:** Acts of 2003, Act 1287, § 1, eff. July 16, 2003; Acts of 2005, Act 2223, § 1, eff. July 1, 2005.

**§ 15-4-2803. Tax credit for biodiesel suppliers**

(a) There shall be allowed a credit against the income tax imposed by the Income Tax Act of 1929, § 26-51-101 et seq., in an amount as determined in subsection (b) of this section to a biodiesel supplier for the cost of the facilities and equipment used directly in the wholesale or retail distribution of biodiesel fuels.

(b) The amount of the credit allowed shall be equal to five percent (5%) of the cost of the facilities and equipment.

(c) The costs of service contracts, sales tax, or acquisition of undeveloped land shall not be included in determining the amount of the credit.

(d)(1) No income tax credit shall be claimed by a supplier for any facility or equipment that is in use on or before the certification of the company for tax credits or for which a tax credit was previously claimed by a supplier for any other tax year.

(2) The provisions of this subsection shall not apply if any entity is sold and the entity is entitled to an income tax credit under this subchapter.

(3) The tax credit provided in subsection (b) of this section may be carried forward for a period not to exceed three (3) years.

(e) [Repealed by Acts of 2013, Act 1149, § 2, eff. Aug. 16, 2013.]

**Credits:** Acts of 2003, Act 1287, § 1, eff. July 16, 2003; Acts of 2005, Act 2223, § 2, eff. July 1, 2005; Acts of 2006 (1st Ex. Sess.), Act 10, § 1, eff. April 10, 2006; Acts of 2013, Act 1149, § 2, eff. Aug. 16, 2013.

**§ 15-4-2804. Incentives for biodiesel producers**

(a) The Alternative Fuels Commission may provide grants not to exceed ten cents (10¢) per gallon of biodiesel fuel produced by a biodiesel producer who has met the qualifications prescribed by the commission under its regulations.

(b) The grants authorized by subsection (a) of this section shall be limited to the first five million

(5,000,000) gallons of biodiesel fuel produced annually by a biodiesel producer qualified by the commission for a period not to exceed five (5) years.

(c) The grants authorized by subsection (a) of this section shall be disbursed from the Alternative Fuels Fund established under § 15-10-701 [repealed] and from the Health Adequacy Committee Fund, § 19-6-487 under the disbursement procedures to be established by the Department of Finance and Administration.

(d) The commission shall not authorize grants that exceed or may expect to exceed the balance of funds available or expected to be available in the fund.

(e) In the event the number of biodiesel producers qualified by the commission exceeds the balance of funds available to allow each qualified biodiesel producer to receive the maximum benefits under subsections (a) and (b) of this section, the commission shall suspend the qualification of additional biodiesel producers until such time as additional funds are available.

**Credits:** Acts of 2003, Act 1287, § 1, eff. July 16, 2003.

#### **§ 15-4-2805. Rules and regulations**

The Alternative Fuels Commission shall promulgate regulations as necessary to implement the provisions of this subchapter.

**Credits:** Acts of 2003, Act 1287, § 1, eff. July 16, 2003.