

The National Agricultural  
Law Center



University of Arkansas • School of Law • Division of Agriculture

An Agricultural Law Research Project

## **Biofuels Statutory Citations**

**State of Arkansas**

[www.NationalAgLawCenter.org](http://www.NationalAgLawCenter.org)



## Biofuels Statutory Citations

### STATE OF ARKANSAS

*This compilation of state statutory citations focuses predominantly on biofuels laws in effect January 1, 1970 through December 31, 2007. In some instances, regulations have been included in the compilation due to their significance. This compilation is intended to serve as a researcher-friendly inventory of state laws by providing the formal title of relevant legislation, the standard legal citation for each statute and a brief description of the law. Some statutes and regulations listed do not specifically relate to biofuels, but are included because of their complementary relationship to the evolution of biofuels law in the state. 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.*

<b><u>Title</u></b>	<b><u>Citation</u></b>	<b><u>Applicability</u></b>	<b><u>Description</u></b>
Alternative Fuels Development Act (2009)	<a href="#">ARK. CODE ANN. §§ 15-13-101 to 15-13-305</a>	Both	The Arkansas Alternative Fuels Development Fund includes three types of grant incentives, including capital and operation incentives for alternative fuel producers and feedstock processors, production incentives for feedstock producers, and distribution incentives for alternative fuel distributors. Alternative fuel producers can receive up to \$0.20 per gallon of alternative fuels produced, not to exceed \$2 million. Feedstock processors can receive up to \$2 million for the construction, modification, alteration, or retrofitting of feedstock processing facilities that are located and operated in Arkansas. Alternative fuel distributors can receive \$50,000 to assist with the distribution and storage of alternative fuels or alternative fuel mixtures at distribution facilities that are located and operated in Arkansas. Funding is available through July 1, 2009. By January 1, 2009, all diesel-powered motor vehicles, light trucks, and equipment owned or leased by a state agency are required to operate using diesel fuel that contains a minimum of

			<p>2% biofuels by volume. Waivers to the 2% biofuels standards for state agency vehicles may be granted if the fuel is not available in certain geographic area or if the fuel price is at least \$0.15 cents more per gallon than the petroleum equivalent. The Arkansas Bureau of Standards will work to ensure fuel quality standards.</p>
<p>Exemptions from gross receipts tax (2009)</p>	<p><a href="#">ARK. CODE ANN. § 26-52-401</a></p>	<p>Biodiesel</p>	<p>Biodiesel fuel is exempted from gross receipts tax.</p>

<p>Fuel used for off-road purposes--Imposition of tax on dyed distillate special fuel (2007)</p>	<p><a href="#">ARK. CODE ANN. § 26-56-224</a></p>	<p>Biodiesel</p>	<p>If dyed distillate special fuel contains biodiesel fuel, the 6-cent per gallon excise tax is levied only on the portion of the fuel that is not biodiesel fuel.</p>
<p>Arkansas Alternative Fuels Development Fund (2007)</p>	<p><a href="#">ARK. CODE ANN. § 19-6-809</a></p>	<p>Both</p>	<p>There is created on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a special revenue fund to be known as the "Arkansas Alternative Fuels Development Fund". All moneys appropriated for the Arkansas Alternative Fuels Development Fund shall be deposited into the State Treasury to the credit of the fund as special revenues. The fund shall also consist of any other revenues as may be authorized by law. The fund shall be used by the Arkansas Agriculture Department to provide grants to support alternative fuels producers, feedstock processors, and alternative fuels distributors in Arkansas as provided under the Arkansas Alternative Fuels Development Act, § 15-13-101 et seq., or as otherwise provided by law.</p>

Rice Straw Tax Credit (2006)	<a href="#">ARK. CODE ANN. § 26-51-512</a>	Ethanol	There is allowed a credit against the income tax imposed by the Income Tax Act of 1929, § 26-51-101 et seq., in the amount of fifteen dollars (\$15.00) for each ton of rice straw over five hundred (500) tons that is purchased by an Arkansas taxpayer who uses the rice straw to produce ethanol or generate energy. The amount of credit that may be used by the taxpayer for a taxable year may not exceed fifty percent (50%) of the amount of income tax due for that tax year. Any unused credit may be carried forward for ten (10) consecutive tax years following the tax year the credit was earned.
Biodiesel Incentive Act (2006)	<a href="#">ARK. CODE ANN. §§ 15-4-2801 to 15-14-2805</a>	Biodiesel	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. The amount of the credit allowed shall be equal to five percent (5%) of the cost of the facilities and equipment. 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. 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.

Powers and Duties of State Procurement Director (2005)	<a href="#">ARK. CODE ANN. § 19-11-217 (c)(2)(A)</a>	Both	The State Procurement Director shall develop and implement a plan for all state agencies acquiring vehicles that will reduce the overall annual petroleum consumption of those state agencies by at least ten percent (10%) by January 1, 2009, through measures that include the use of alternative fuels, as defined by 42 U.S.C. § 13211, as it existed on January 1, 2005; the acquisition of vehicles with higher fuel economy, such as a hybrid vehicle operating on electricity and gasoline or diesel or bio-diesel fuel; and the substitution of cars for light trucks.
Tax credit for advanced biofuels facility (1999)	<a href="#">ARK. CODE ANN. §§ 2-8-102; 2-8-108 to 2-8-109</a>	Both	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 for any Arkansas taxpayer engaged in the business of producing advanced biofuels for the cost of: buildings; equipment; higher education partnerships; and purchasing licensing, or protecting intellectual property necessary to manufacture biofuels. The amount of the credit allowed shall be equal to thirty percent (30%) of the cost of buildings, equipment, higher education partnerships and licenses for intellectual property necessary to manufacture advanced biofuels.
Interstate Alternative Fuels Refund Fund (1995)	<a href="#">ARK. CODE ANN. § 19-5-987</a>	Both	There is hereby established on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a fund to be known as the Interstate Alternative Fuels Refund Fund. This fund shall consist of the amount, estimated quarterly, which is transferred monthly from gross alternative fuel tax collections, there to be used to pay refunds to licensed interstate users and licensed IFTA carrier users of alternative fuels as provided by law and as set out in § 26-62-210.

<p>Alternative Fuels Tax Law (1995)</p>	<p><a href="#">ARK. CODE ANN. §§ 26-62-101 to 26- 62-214</a></p>	<p>Both</p>	<p>Excise taxes on alternative fuels are imposed on a gasoline gallon equivalent basis. The tax rate for each type of alternative fuel is based on the number of motor vehicles licensed in the state that use each fuel type. Any individual or company who converts an AFV to operate on an alternative fuel must report the conversion to the Director of the Arkansas Department of Finance and Administration within 10 days of the conversion. An owner or operator who fails to report such a conversion may be subject to a penalty.</p>
---	--	-------------	--