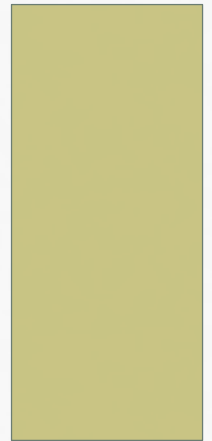


ARKANSAS NATURAL RESOURCES COMMISSION

TAX CREDIT INCENTIVE PROGRAM



PURPOSE OF THIS PROGRAM

To encourage water users to invest in water conservation projects that will help reduce our dependence on ground water, the state offers a tax incentive program through ANRC.

Tax credits are available for the following projects:

- Impoundments
- Conversions
- Water Meters
- Land Leveling

IMPOUNDMENTS

- An income tax credit of 50 percent of the project cost incurred in construction, installation, or restoration is available.
- The impoundment must be used for the storage of water to be used primarily for agricultural irrigation.
- Unused credit may be carried over for a maximum of nine years for a total not to exceed \$90,000.

CONVERSION FROM GROUND WATER USE TO SURFACE WATER USE

- **Outside a critical groundwater area**, 10% of the total project cost may be taken as a credit.
- **Within a critical groundwater area**, 50% of the total project cost may be taken as a credit.
- Unused credit may be carried over for a maximum of 2 years.
- The maximum amount of credit that may be claimed for one year is \$9,000 (\$27,000 for three years).

INSTALLATION OF WATER METERS

- **Outside a critical groundwater area**, 10% of the total project cost may be taken as a credit.
- **Within a critical groundwater area**, 50% of the total project cost may be taken as a credit.

LAND LEVELING

- 10% of total project cost can be taken as a tax credit.
- The credit may be taken for three years – up to \$9,000 per year.
- The maximum amount that may be claimed for a land leveling project is \$27,000.

APPLYING FOR A TAX CREDIT

- Apply for a credit at your local conservation district.
- An application fee of three percent of the total estimated tax credit is due when you apply.
- There is a minimum fee of \$100 and a maximum fee of \$1,500.

PROJECT COMPLETION

- Projects must be completed within three years of the approval date.
- Once the project has been completed, you must apply for a Certificate of Completion with your conservation district.
- All projects must be maintained for a minimum of 10 years following issuance of the Certificate of Completion.
- A registered Professional Engineer in the state of Arkansas or an agent of NRCS must inspect the project and sign off on your application for a Certificate of Completion prior to submitting it to ANRC.

CONTACT INFORMATION

Kathryn Stewart

501-682-3972

Kathryn.Stewart@arkansas.gov