



JONESBORO
UNLIMITED

STATE INCENTIVES

Advantage Arkansas (Income Tax Credit)

The [Advantage Arkansas incentive](#) offers a state income tax credit for job creation based on the payroll of new, full-time, permanent employees hired as a result of the project. In order to qualify for the Advantage Arkansas program (all tiers), the proposed average hourly wage of the new employees hired as a result of the project must be equal to or greater than \$15.99. This minimum average hourly wage is applicable to those eligibility categories that do not require higher wage thresholds as determined by law. Craighead County, where Jonesboro is located, is categorized as Tier 1 on the [Arkansas Incentive Tier Map \(PDF\)](#) with a payroll threshold of \$125,000.

The Advantage Arkansas income tax credit is earned each tax year for a period of five years. The income tax credit cannot offset more than 50% of a business's 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 included in the new additional payroll under the project must be Arkansas taxpayers.

Tax Back (Sales & Use Tax Refund)

The [Tax Back incentive](#) provides sales and use tax refunds on the purchase of building materials and taxable machinery and equipment to qualified businesses investing the minimum required based on the tier in which the company locates and who either a) signs a job creation agreement under the Advantage Arkansas or Create Rebate programs within 24 months of signing the Tax Back agreement or b) have signed an Advantage Arkansas or Create Rebate agreement within the previous 48 months. An endorsement resolution from a local governing authority authorizing the refund of its local taxes must also be obtained by applicants. Qualification criteria must be met under the requisite [Advantage Arkansas or Create Rebate program](#) in which the applicant is participating, and must be approved by the Arkansas Economic Development Commission. Craighead County, where Jonesboro is located, is categorized as Tier 1 on the [Arkansas Incentive Tier Map \(PDF\)](#) with a \$500,000 investment threshold.

The refund of sales and use taxes will not include the refund of taxes dedicated to the Educational Adequacy Fund provided in §19-5-1227, or the taxes dedicated to the Conservation Tax Fund provided in §19-6-484; which totals 1%. The state tax rate is 6.5% so the eligible refund would be 5.5%. Criteria for eligibility can be found at the [Arkansas Economic Development Commission website](#).

Research & Development Incentives

[Arkansas's Research and Development incentive programs](#) are intended to provide incentives for university-based research, in-house research, and research and development in start-up, technology-based enterprises. Tax credits under these programs may be carried forward for nine years and may offset up to 100% of a business's tax liability in a given year.

Create Rebate (Cash Rebate)

[Create Rebate incentives](#) are negotiated and offered at the discretion of the Executive Director of the Arkansas Economic Development Commission. This incentive provides annual cash payments based on a company's annual payroll for new, full-time, permanent employees. Create Rebate requires a minimum payroll of new, full-time, permanent employees hired as a result of the project, depending on the tier in which the business locates. The business must reach the payroll threshold for the tier in which it is located within 24 months from the date of the signing of the financial incentive agreement. Create Rebate benefits are available after the business certifies to the Arkansas Department of Finance & Administration that it has fulfilled the terms of the financial incentive agreement and the reported payroll has been verified. The percentage of the benefit depends on the tier assignment of the county where the job creation occurs. View the [Arkansas Incentives Tier Map \(PDF\)](#) for more information.

ArkPlus (Income Tax Credit)

The [ArkPlus incentive](#) is a state income tax credit program that provides tax credits of 10% of the total investment in a new location or expansion project. This incentive is offered at the discretion of the Arkansas Economic Development Commission Executive Director. ArkPlus requires both a minimum investment and a minimum payroll of new, full-time, permanent employees hired as a result of the project, depending on the tier in which the business locates. The business must reach the investment threshold for the tier in which it is located within four years from the date of the signing of the financial incentive agreement and the payroll threshold for the tier in which it is located within 24 months from the date of the signing of the financial incentive agreement. 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. For more information on investment and payroll thresholds visit [Arkansas Incentives Tier Map \(PDF\)](#).

Infrastructure Grants

The Arkansas Economic Development Commission shares the cost of project infrastructure needs by committing grants from state and federal infrastructure funds. The amount of assistance committed is dependent upon the strength of the company, number of jobs, average wage, project investment and costs associated with facility/site improvements. Criteria for eligibility can be found at the [Arkansas Economic Development Commission website](#).

Equity Investment Tax Credit

The [Equity Investment Incentive Program](#) is a discretionary incentive targeted toward new, technology-based businesses paying wages in excess of the state or county average wage. If offered, this program allows an approved business to offer an income tax credit to investors purchasing an equity investment in the business. The income tax credit(s) issued under this program are equal to 33 1/3% of the amount invested by an investor in an eligible business. The income tax credit earned may be used to offset 50% of the investor's Arkansas income tax liability in any one tax year. Any unused credit may be carried forward for a period of nine years. The income tax credit earned may be sold upon approval by the Arkansas Economic Development Commission.

Specialized Incentives

[Specialized incentives](#) may be offered to businesses in tourism development and daycare facility construction and operation for their employees.

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