

**BEFORE THE ARKANSAS POLLUTION CONTROL AND ECOLOGY  
COMMISSION**

IN THE MATTER OF AMENDMENTS TO )  
REGULATION NO. 16, TAX CREDIT )  
REGULATIONS )

DOCKET NO. 04-\_\_\_\_-R

**PETITION TO INITIATE RULEMAKING TO AMEND REGULATION NO. 16,  
WASTE REDUCTION, REUSE, OR RECYCLING TAX CREDIT  
REGULATIONS**

The Arkansas Department of Environmental Quality (hereinafter “ADEQ” or “the Department”), for its Petition to Initiate Rulemaking to Amend Regulation No. 16, Waste Reduction, Reuse, or Recycling Tax Credit Regulations, states:

1. The Department proposes this rulemaking primarily to make the provisions of Regulation 16 conform stylistically to the other Regulations of the Commission, and to provide improved readability and ease of use by taxpayers.
2. After meeting internally and with representatives of the regulated community, the Department proposes the following changes and inclusions to Regulation 16:
  - (A) A table of contents;
  - (B) Definitions of “for commercial purposes” and “project start-up”;
  - (C) A section which states the amount of credit available;
  - (D) A section which states the maximum credit available;
  - (E) A section which states how tax credits will be apportioned with regard to different types of business entities;
  - (F) A section which notifies taxpayers with regard to certain deduction limitations;
  - (G) An application process which will prove less onerous to taxpayers

- (H) seeking to claim tax credits; and,  
Other stylistic changes which will increase the regulation’s readability and revise its format to conform with other regulations of the Commission.

3. Michael Bonds and/or Richard Robinette from ADEQ will be available to answer questions concerning this proposed rulemaking. A red-lined version of the regulation showing the proposed changes is attached hereto as Exhibit “A” and is hereby incorporated by reference. A clean-text version of the proposed regulation is attached hereto as Exhibit “B” and is hereby incorporated by reference. A copy of the Legislative Questionnaire is attached as Exhibit “C”, and a copy of a financial impact statement for the proposed revision is attached as Exhibit “D”, both of which are hereby incorporated by reference. A proposed minute order is attached as Exhibit “E” and is hereby incorporated by reference.

WHEREFORE, ADEQ requests that the Commission initiate the rulemaking process, adopt the proposed Minute Order, and adopt the proposed amendments to Regulation No. 16.

Respectfully Submitted,

ARKANSAS DEPARTMENT OF  
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