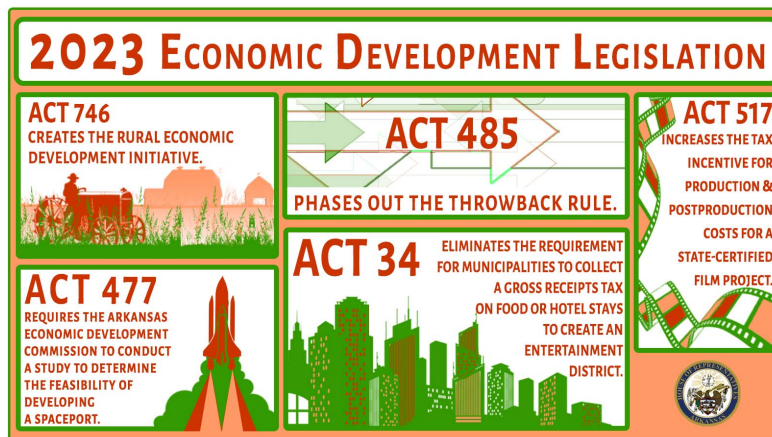




Arkansas House Newsletter

May 18, 2023

2023 Economic Development Legislation



Employment in Arkansas has increased for seven consecutive months. The latest report from the Arkansas Division of Workforce Services shows the unemployment rate at 2.8%. By comparison, the national unemployment rate is 3.4%.

Compared to this time last year, there are 12,869 additional employed Arkansans.

While low unemployment rates are indicative of a healthy and growing economy, our efforts for economic development don't end there.

The General Assembly is continuing to work on ways to foster innovation, encourage technological advances, and increase wages across the state.

In the 2023 Regular Session, we passed several pieces of legislation designed to continue increasing economic growth.

[Act 746](#) creates the Rural Economic Development Initiative. The Rural Economic Development Initiative is established to provide funds to planning and development districts for distribution to projects in rural areas to further rural economic development and revitalization. If funding permits, a planning and development

district may apply to the Arkansas Economic Development Commission for funds.

The 94th General Assembly also passed [Act 485](#), an Act to Enhance Economic Competitiveness by Phasing Out the Throwback Rule. A throwback rule mandates that sales into other states or to the federal government that are not taxable will be “thrown back” into the state of origin for tax purposes. The Arkansas Tax Reform and Relief Legislative Task Force recommended the repeal of the throwback rule as it harmed economic competitiveness with other states that did not impose the rule.

The General Assembly also passed the following acts concerning economic development during the recent session:

[Act 34](#)

This act eliminates the requirement for municipalities to collect a gross receipts tax on food or hotel stays to create an entertainment district.

[Act 477](#)

This act requires the Arkansas Economic Development Commission to conduct a study to determine the feasibility of developing a spaceport by 2024 if funding become available.

[Act 517](#)

This act increases the tax incentive for production and postproduction costs for a state-certified film project.

[Act 196](#)

This act reduces the maximum potential unemployment compensation benefits from 4 months to 3 months and reduces unemployment insurance tax rates for employers.

[Act 106](#)

This act disqualifies a person from collecting unemployment compensation for any week he or she fails to respond to a job offer or fails to appear for a job interview.

We will continue researching ways to improve the economy in every area of our state. You can find more information about economic development in our state by visiting arkansasedc.com