



Water Conservation Tax Credits

Arkansas Natural Resources Commission

AVAILABLE TAX CREDITS

Reservoirs

Impoundments 20 acre-feet or larger used primarily for agricultural irrigation qualify for a tax credit of 50% of the project cost.

- Claim up to \$9,000 in one taxable year and up to \$90,000 for the entire project. Unused credit may be carried over for a maximum of 14 years.

Conversion

Conversion from ground water use to surface water use outside a critical groundwater area qualifies for a tax credit of 10% of the project cost, including installation of devices to indicate water use. Conversion from ground water use to surface water use inside a critical groundwater area qualifies for a tax credit of 50% of the project cost, including installation of devices to indicate water use. *Critical groundwater area map shown on reverse side.*

- Claim up to \$9,000 in one taxable year and up to \$27,000 for the entire project. Unused credit may be carried over for a maximum of 2 years.

PROCESS

Before beginning construction:

- Application submitted to the county conservation district for approval
- Application fee of 3% of the total approved tax credit must be paid (minimum=\$100, maximum=\$1,500)
- NRCS or licensed engineer creates plan for the project
- Approved application submitted to the ANRC
- Certificate of Tax Credit Approval issued

After approval:

- Project must be completed within 3 years of Certificate of Tax Credit Approval being issued
- Can apply for tax credits in phases to coincide with EQIP contract

After completion:

- Submit application for a Certificate of Completion to your local Conservation District for final inspection
- Projects must be maintained for 10 years following completion or benefits will be recaptured.

This publication was prepared by:





Flowmeter Cost Share

Arkansas Natural Resources Commission

Eligible producers inside critical groundwater areas highlighted in red may receive 50% cost share when they install flowmeters. Producers outside critical groundwater areas may receive 10% cost share. Eligible wells must obtain water from the Mississippi River Valley alluvial aquifer. Producers will be reimbursed by ANRC for half of the purchase and installation costs accrued.

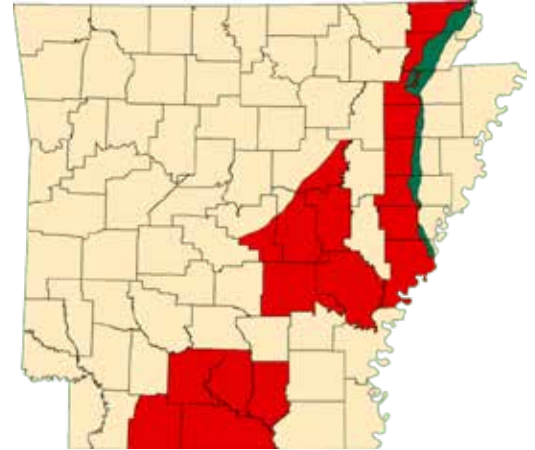


Figure 1. Arkansas Critical Groundwater Areas highlighted in red.

PROCESS

Before installation:

- Application approved by ANRC to ensure cost share money is available
- Application with well information requires: location, depth, diameter, type of unit, horsepower, etc.
- IRS Form W-9 filed with application to allow reimbursement
- Flowmeters that read in acre feet are recommended to make reporting easier

After installation:

- Provide dated invoice for approval and payment

Flowmeter with Mechanical Index	
Diameter	Maximum Reimbursement
10" or less	\$1,000
Greater than 10" but less than 15"	\$1,200
Greater than 15"	\$1,500
Flowmeter with Electronic Index	
Diameter	Maximum Reimbursement
10" or less	\$1,900
Greater than 10" but less than 15"	\$2,280
Greater than 15"	\$2,850
Flowmeter with Electronic Index and Telemetry	
Diameter	Maximum Reimbursement
10" or less	\$2,400
Greater than 10" but less than 15"	\$2,880
Greater than 15"	\$3,600

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