



## Arkansas State Tax Incentives

Smart Farm System products may be eligible for State related tax benefits that incentivize the purchase, installation and use of our technology. These programs help minimize costs for farmers interested in adopting Advanced Irrigation Water Management (AIWM) systems. We recommend consulting with a CPA for advice related to state and federal taxes related to purchase of a Smart Farm System.

### Farm Equipment and Machinery Sales Tax Exemption (ACA §26-52-403 et seq.)

#### **Sales Tax Exemption:**

Farm equipment and machinery purchased for the exclusive use in farming is exempt from state and local sales taxes under Arkansas Code Annotated section 26-52-403.

### Water Resource Development and Conservation Incentive (ACA §26-51-1001 et seq.)

#### **Income Tax Credit:**

A. For the installation of water measuring or metering devices outside a critical groundwater area, an income tax credit of ten percent (10%) of the project cost is available not to exceed \$27,000. The maximum credit in one year is the lesser of the taxpayer's income tax due or \$9,000. Unused credit may be carried over for 2 years.

B. For the installation of water metering devices within a critical groundwater area, an income tax credit of 50 percent (50%) of the project cost is available not to exceed \$27,000. The maximum credit in one year is the lesser of the taxpayer's income tax due or \$9,000 for agricultural uses. Unused credit may be carried over for 2 years.

For information regarding application for the Water Resource Conservation Incentive contact Arkansas Natural Resources Commission at (501) 682-3968 or visit their website at [www.arnc.arkansas.gov](http://www.arnc.arkansas.gov).

**Critical Groundwater Area Map:** [http://www.arkansas.gov/awwcc/gw\\_designation\\_graphic.pdf](http://www.arkansas.gov/awwcc/gw_designation_graphic.pdf)

## Farm Bill Program Incentives

### Conservation Title Programs:

U.S. Department of Agriculture (USDA) Natural Resource Conservation Service (NRCS) offers a suite of programs that incentivize the purchase, installation and use of our technology. These programs should enhance funding for farmers interested in adopting Advanced Irrigation Water Management (AIWM) systems like Smart Farm.

To apply for Conservation Title funding, visit your local NRCS field office, in your [local USDA Service Center](#). Step-by-step assistance can be found at <http://www.nrcs.usda.gov/getstarted>.

### Environmental Quality Incentives Program (EQIP)

EQIP is a voluntary program that provides financial assistance to farmers to plan and implement conservation practices that improve soil, water, plant, animal, air and related natural resources on agricultural land. Smart Farm is a qualifying AIWM system for cost-share financial assistance under EQIP.

### Conservation Security Program (CSP)

CSP is a voluntary program that helps farmers build on existing conservation efforts while strengthening the productivity of their operation. If farmers are already taking steps to improve the condition of the land, chances are CSP can help them find new ways to meet their goals. Smart Farm products are a great conservation enhancement option for farmers concerned with water quantity or quality.

### Regional Conservation Partnership Program (RCPP)

The Rice Stewardship Partnership composed of Ducks Unlimited and the USA Rice Federation, will assist up to 800 rice producers to address water quantity, water quality, and wildlife habitat across 380,000 acres in Mississippi, Arkansas, California, Louisiana, Missouri and Texas. Smart Farm is a qualifying component for rice farmers looking to enhance their water management system through the RCPP Rice Stewardship Partnership, which offers payments to producers under the same guidelines as EQIP and CSP.