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Executive Summary

The Arkansas Economic Development Commission (the “AEDC”) is proposing amendments to the Digital Product and Motion Picture Industry Development Act Rule to reflect changes in the incentive program authorized by Act 517 of 2023. The act added additional categories of expenditures that qualify to receive enhanced incentives. The amended rule is necessary to incorporate the Act’s changes.

The proposed amended rule increases the incentive base from 20% to 25% for qualified expenditures. Qualified productions or post-production companies may receive an additional 5% incentive on expenditures for hiring below-the-line employees or for paying qualified costs to a person or business located in a Tier 3 or Tier 4 county. In addition, the proposed amended rule allows a production company to receive an additional 5% incentive for producing a multi-project production in Arkansas. A multi-project production is defined in Section 2 of the rule as two or more productions by the same producer that have signed an incentive agreement and commenced principal photography within a 12-month period. Additional technical and formatting changes have been made to the rule to bring it in line with the Code of Arkansas Rules’ style requirements.