Arkansas Groundwater Conservation Tax Credit: Arkansas Department of Agriculture Recognizes 40 Years of Conservation Incentives



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The Arkansas Department of Agriculture ("ADA") issued an October 27th news release recognizing the 40th anniversary of the Arkansas Groundwater Conservation Tax Credit ("AGCTC") program.

The program provides state income tax credits for projects that reduce groundwater use by promoting surface water alternatives and more efficient irrigation practices.

Arkansas landowners are potentially eligible for credits on the following:

- Reservoirs.
- 50% of the project cost incurred in construction, installation, or restoration of an impoundment of at least 20 acre-feet.
- Claim up to $18,000 in one taxable year.
- Land levelling.
- 25% of the project cost incurred for a land leveling project.
- Claim up to $18,000 in one taxable year.
- Conversion to Surface Water.
- Inside a critical groundwater area.
- 50% of the project cost incurred converting from groundwater use to surface water use.
- Claim up to $18,000 in one taxable year.
- Outside of critical groundwater area.
- 25% of the project cost incurred converting from groundwater use to surface water use
- Claim up to $18,000 in one taxable year.
- Water meters.
- Receive 25% or 55% off cost of water meters installed on wells (25% outside of critical groundwater area and 50% inside a critical groundwater area).

The ADA notes that since the program's inception, that landowners have invested more than $40 million in groundwater conservation projects. Because significant portions of Arkansas are dependent upon diminishing groundwater supplies, the program is intended to protect aquifers and improve water use efficiency.

It further notes that it partnered with Ducks Unlimited and the Rice Stewardship Program to release a short video reflecting on the program's history and impact. The video is available here.

A copy of the news release with links to additional information regarding the program can be found here.