

State of Arkansas
93rd General Assembly
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As Engrossed: H3/11/21

A Bill

HOUSE BILL 1513

By: Representative Eubanks

By: Senator J. Dismang

For An Act To Be Entitled

AN ACT TO CREATE AN INCOME TAX CREDIT FOR RETIRED LAW ENFORCEMENT OFFICERS WHO WORK COLD CASES FOR THE DIVISION OF ARKANSAS STATE POLICE; AND FOR OTHER PURPOSES.

Subtitle

TO CREATE AN INCOME TAX CREDIT FOR RETIRED LAW ENFORCEMENT OFFICERS WHO WORK COLD CASES FOR THE DIVISION OF ARKANSAS STATE POLICE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code Title 26, Chapter 51, Subchapter 5, is amended to add an additional section to read as follows:

26-51-515. Work on cold cases by retired law enforcement officers.

(a)(1) Subject to the restrictions stated in this section, there is allowed an income tax credit against the income tax imposed under this chapter for up to three thousand five hundred dollars (\$3,500) for work performed by the taxpayer on behalf of the Division of Arkansas State Police to investigate one (1) or more cold cases.

(2)(A) A taxpayer who works at least one thousand (1,000) hours investigating one (1) or more cold cases on behalf of the division during the tax year may claim the full amount of the credit allowed under subdivision (a)(1) of this section.

(B) A taxpayer who works less than one thousand (1,000)



hours investigating one (1) or more cold cases on behalf of the division during the tax year may claim a pro rata share of the credit allowed under subdivision (a)(1) of this section based on the number of hours the taxpayer worked investigating one (1) or more cold cases on behalf of the division during the tax year compared to one thousand (1,000) hours.

(b) At the discretion of the division, an individual may work as a:

(1)(A) Volunteer to investigate one (1) or more cold cases on behalf of the division.

(B) An individual who works as a volunteer under this subsection is not an employee of the division, and the only benefit accruing to the individual is the tax credit allowed under this section; or

(2) Temporary or part-time employee of the division for an hourly rate determined by the division, not to exceed the rates of pay provided in the Uniform Classification and Compensation Act, § 21-5-201 et seq.

(c) The amount of the income tax credit under this section that may be claimed by the taxpayer in a tax year shall not exceed the amount of income tax due by the taxpayer.

(d) Any unused income tax credit under this section may be carried forward for two (2) consecutive tax years following the tax year in which the income tax credit was earned.

(e)(1) To be eligible to claim a tax credit under this section, a taxpayer shall:

(A) Be a retired law enforcement officer; and

(B) Apply to the division for an eligibility certificate, which shall be attached to the taxpayer's return for the tax year in which the tax credit is claimed.

(2) The division shall maintain an ongoing record of the eligibility certificates awarded under this section each fiscal year.

(3) The division shall issue eligibility certificates for the number of hours worked by each taxpayer for the tax credit allowed under this section only up to a total of twenty-five thousand dollars (\$25,000) for all taxpayers in each fiscal year on a first-come, first-served basis.

(f) The Director of the Division of Arkansas State Police shall:

(1) Promulgate rules to implement this section; and

(2) Consult with the Department of Finance and Administration in

promulgating rules under this section.

SECTION 2. EFFECTIVE DATE. Section 1 of this act is effective for tax years beginning on or after January 1, 2022.

SECTION 3. DO NOT CODIFY. Rules.

(a) When adopting the initial rules required under this act, the Director of the Division of Arkansas State Police shall file the final rules with the Secretary of State for adoption under § 25-15-204(f):

(1) On or before January 1, 2022; or

(2) If approval under § 10-3-309 has not occurred by January 1, 2022, as soon as practicable after approval under § 10-3-309.

(b) The director shall file the proposed rules with the Legislative Council under § 10-3-309(c) sufficiently in advance of January 1, 2022, so that the Legislative Council may consider the rules for approval before January 1, 2022.

/s/Eubanks

APPROVED: 4/22/21