

State of Arkansas
89th General Assembly
Regular Session, 2013

A Bill

HOUSE BILL 1004

By: Representative D. Altes

For An Act To Be Entitled

AN ACT TO ESTABLISH AN INCOME TAX CREDIT FOR THE
EDUCATION EXPENSES OF DEPENDENTS; AND FOR OTHER
PURPOSES.

Subtitle

TO ESTABLISH AN INCOME TAX CREDIT FOR
EDUCATION EXPENSES OF DEPENDENTS.

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 a new section to read as follows:

26-51-515. Dependent education expense credit.

(a) As used in this section, "dependent" means the same as defined in 26 U.S.C. § 152, as in effect on January 1, 2013.

(b) There is allowed an income tax credit against the income tax imposed by the Income Tax Act of 1929, § 26-51-101 et seq., in an amount as determined under subsection (c) of this section for a taxpayer who has one (1) or more dependents who are full-time pupils enrolled in a kindergarten through grade twelve (K-12) education program at any school.

(c) If the taxpayer's expenses for tuition, book fees, and laboratory fees required by the dependent's school during the tax year for all of the taxpayer's dependants combined are:

(1) Less than three hundred dollars (\$300), an income tax credit under this section is not allowed; or

(2) Three hundred dollars (\$300) or more, the amount of the income tax credit under this section is equal to twenty-five percent (25%) of



the amount paid for tuition, book fees, and laboratory fees by the taxpayer for the dependent or dependents.

(d)(1) The amount of an income tax credit under this section that may be used by the taxpayer shall not exceed the amount of individual income tax liability.

(2) Any unused income tax credit under this section may be carried forward for a maximum of two (2) consecutive tax years.

(e) The Director of the Department of Finance and Administration shall promulgate rules administering this section, including without limitation rules regarding the filing of documentation verifying that a dependent is enrolled in a kindergarten through grade twelve (K-12) education program at any school.

SECTION 2. This act is effective for tax years beginning on or after January 1, 2013.