

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas
89th General Assembly
Regular Session, 2013

As Engrossed: H3/6/13

A Bill

HOUSE BILL 1240

By: Representatives Love, H. Wilkins, Williams, Sabin, C. Armstrong, E. Armstrong, Leding, Word,
Murdock

For An Act To Be Entitled

AN ACT TO ALLOW AN EARNED INCOME TAX CREDIT AGAINST
ARKANSAS INCOME TAX LIABILITY; AND FOR OTHER
PURPOSES.

Subtitle

TO ALLOW AN EARNED INCOME TAX CREDIT
AGAINST ARKANSAS INCOME TAX LIABILITY.

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. Earned income tax credit.

(a) 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 the amount determined under subsection (b) of this section for a portion of a taxpayer's earned income.

(b) The amount of the income tax credit allowed under subsection (a) of this section is equal to five percent (5%) of the credit allowed to the taxpayer under 26 U.S.C. § 32, as it existed on January 1, 2013.

(c) If the amount of the income tax credit allowed under this section exceeds the taxpayer's income tax liability, the excess shall be refunded to the taxpayer.

(d) The Department of Finance and Administration shall annually notify taxpayers of their potential eligibility for the income tax credit allowed under this section.



SECTION 2. EFFECTIVE DATE. Section 1 of this act is effective for tax years beginning on and after January 1, 2013.

/s/Love