

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

State of Arkansas
90th General Assembly
Regular Session, 2015

A Bill

HOUSE BILL 1275

By: Representative Leding
By: Senator J. Woods

For An Act To Be Entitled

AN ACT TO PERMIT A TAX CREDIT FOR EMPLOYERS PROVIDING
PAID FAMILY AND MEDICAL LEAVE TO QUALIFIED EMPLOYEES;
AND FOR OTHER PURPOSES.

Subtitle

TO PERMIT A TAX CREDIT FOR EMPLOYERS
PROVIDING PAID FAMILY AND MEDICAL LEAVE
TO QUALIFIED EMPLOYEES.

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

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

26-51-2601. Title.

This subchapter may be cited as the "Strong Families Act".

26-51-2602. Definitions.

As used in this subchapter:

(1)(A) "Family and medical leave" means leave for a serious health condition of the employee that prevents the employee from performing his or her essential job duties, for the birth or adoption of a child, and for the care of a child, spouse, or parent who has a serious health condition.

(B) "Family and medical leave" does not include:

(i) Earned sick leave;



(ii) Earned annual leave; or

(iii) Earned compensatory leave;

(2) "Qualified employee" means an employee who has been employed by the employer for twelve (12) consecutive months or more;

(3) "Serious health condition" means an illness, injury, impairment, or physical or mental condition that involves:

(A) Inpatient care in a hospital, hospice, or residential medical care facility; or

(B) Continuing treatment by a healthcare provider; and

(4) "Wages" means remuneration paid for personal services.

26-51-2603. Administration.

(a) This subchapter shall be administered in accordance with the Arkansas Tax Procedure Act, § 26-18-101 et seq.

(b) The Director of the Department of Finance and Administration shall promulgate rules and regulations to administer this subchapter.

26-51-2604. Strong families tax credit.

(a)(1) An employer is allowed a nonrefundable income tax credit against the income tax imposed by the Income Tax Act of 1929, § 26-51-101 et seq., for providing paid family and medical leave to a qualified employee.

(2)(A)(i) The nonrefundable income tax credit is an amount equal to twenty-five percent (25%) of the amount of wages paid to a qualified employee during a period in which the qualified employee is on family and medical leave.

(ii) When a qualified employee is not paid on an hourly basis, the wages of the qualified employee shall be prorated to an hourly basis.

(B) The nonrefundable income tax credit allowed under this section shall not exceed four thousand dollars (\$4,000) per employee in a tax year.

(b) An employer is eligible for a nonrefundable income tax credit under this section when the employer:

(1) Provides full-time qualified employees with not less than four (4) weeks of paid family and medical leave over a twelve-month period;

(2) Provides part-time qualified employees with an amount of

paid family and medical leave that is proportionate to four (4) weeks of family and medical leave prorated to the number of hours the employee is expected to work in a week to the number of hours an equivalent qualifying full-time employee is expected to work during the week;

(3) Provides leave on the smallest increment of time permitted under the employer's payroll system; and

(4) Adopts a family and medical leave policy that states that the employer will not:

(A) Interfere with, restrain, or deny the exercise of or the attempt to exercise a right provided under the employer's family and medical leave policy; and

(B) Discharge or in any other manner discriminate against an employee for opposing a practice prohibited by the policy.

(c) The maximum amount of time employers may provide for family and medical leave is twelve (12) weeks in a twelve-month period.

(d) Family and medical leave may run concurrently with leave that is required under state or federal law, including without limitation the Family and Medical Leave Act of 1993, 29 U.S.C. § 2601 et seq.