

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

SENATE BILL 834

By: Senator Elliott

For An Act To Be Entitled

AN ACT TO CREATE AN INCOME TAX EXEMPTION FOR CERTAIN AWARDS, GRANTS, AND SCHOLARSHIPS AWARDED BY A NONPROFIT VOLUNTEER SERVICE ORGANIZATION; AND FOR OTHER PURPOSES.

Subtitle

TO CREATE AN INCOME TAX EXEMPTION FOR CERTAIN AWARDS, GRANTS, AND SCHOLARSHIPS AWARDED BY A NONPROFIT VOLUNTEER SERVICE ORGANIZATION.

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

SECTION 1. Arkansas Code Title 26, Chapter 51, Subchapter 3, is amended to add an additional section to read as follows:

26-51-314. Certain awards, grants, and scholarships.

(a) As used in this section, "nonprofit volunteer service organization" means a governmental entity that provides volunteer service opportunities as a primary part of its responsibilities, including without limitation the following:

(1) The Corporation for National and Community Services and any program under the authority of the Corporation for National and Community Services;

(2) The Arkansas Service Commission; and

(3) Any entity that is similar to the Arkansas Service Commission and is located in another state.

(b) There is allowed an exemption from the income tax imposed by the



Income Tax Act of 1929, § 26-51-101 et seq., for an award, grant, or scholarship received by a resident from a nonprofit volunteer service organization or a program under the authority of a nonprofit volunteer service organization to:

(1) Attend an institution of higher education that:

(A) Is accredited by a nationally recognized accrediting agency; and

(B) Has been in existence for at least two (2) years;

(2) Pay for educational training at an institution that:

(A) Provides at least a six-month program of training to prepare students for employment in a recognized occupation;

(B) Is licensed by the Arkansas State Board of Private Career Education or a similar agency if the institution is located in another state; and

(C) Has been in existence for at least two (2) years; or

(3) Repay student loans.

(c) The Director of the Department of Finance and Administration may promulgate rules to implement this section.

SECTION 2. EFFECTIVE DATE. This act is effective for tax years beginning on or after January 1, 2015.