

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

State of Arkansas
95th General Assembly
Regular Session, 2025

As Engrossed: H1/16/25
A Bill

HOUSE BILL 1015

Representatives D. Garner, A. Collins, Springer

For An Act To Be Entitled

AN ACT TO AMEND THE INDIVIDUAL INCOME TAX LAWS; TO
CREATE AN INCOME TAX CREDIT FOR DEPENDENT CHILDREN;
AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE INDIVIDUAL INCOME TAX LAWS;
AND TO CREATE AN INCOME TAX CREDIT FOR
DEPENDENT CHILDREN.

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:

26-51-518. Dependent child tax credit.

(a) As used in this section, "qualifying child" means the same as defined in 26 U.S.C. §152(c), as it existed on January 1, 2025, except that "qualifying child" only includes an individual who has not attained the age of eighteen (18) as of the end of the taxable year.

(b)(1) There is allowed an income tax credit against the income tax imposed by this chapter in the amount of three hundred dollars (\$300) per qualifying child for an individual taxpayer having net income up to one hundred thousand dollars (\$100,000) or taxpayers filing a joint income tax return having a net income up to two hundred thousand dollars (\$200,000).

(2) If both spouses filing separately on the same income tax return claim the income tax credit allowed under this section, the amount of the income tax credit shall be allocated in equal amounts between the taxpayers.



(c)(1) The Secretary of the Department of Finance and Administration shall adjust annually the credit provided under subsection (b) of this section by the cost-of-living adjustment for the current calendar year, rounding the amount to the nearest whole dollar.

(2)(A) For the purposes of subdivision (c)(1) of this section, the cost-of-living adjustment for a calendar year is the percentage, if any, by which the Consumer Price Index for the current calendar year exceeds the Consumer Price Index for the preceding calendar year.

(B) If the Consumer Price Index for the current calendar year does not exceed the Consumer Price Index for the preceding calendar year, the credit shall not be adjusted.

(3) As used in this subsection, "Consumer Price Index" means the last Consumer Price Index for All Urban Consumers published by the United States Department of Labor.

(d) 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.

SECTION 2. EFFECTIVE DATE. Section 1 of this act is effective for tax years beginning on or after January 1, 2025.

/s/D.Garner