

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

State of Arkansas
95th General Assembly
Regular Session, 2025

A Bill

HOUSE BILL 1438

By: Representative Cavanaugh

For An Act To Be Entitled

AN ACT TO AMEND THE STATE INCOME TAX LAWS; TO CREATE AN INCOME TAX CREDIT FOR TAXPAYERS SIXTY-FIVE AND OLDER IN AN AMOUNT EQUAL TO THE TAXPAYER'S PROPERTY TAX PAYMENT ON A HOMESTEAD; AND FOR OTHER PURPOSES.

Subtitle

TO CREATE AN INCOME TAX CREDIT FOR TAXPAYERS SIXTY-FIVE AND OLDER IN AN AMOUNT EQUAL TO THE TAXPAYER'S PROPERTY TAX PAYMENT ON A HOMESTEAD.

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. Credit for homestead property tax paid.

(a) There is allowed an income tax credit against the income tax imposed by this chapter in the amount determined under subsection (b) of this section for a taxpayer who is at sixty-five (65) years of age or older during the tax year.

(b) The amount of the income tax credit allowed under subsection (a) of this section is equal to the amount of real property tax paid by the taxpayer during the tax year on the taxpayer's homestead minus any amount paid by the taxpayer for delinquent property tax or penalties on delinquent property tax during the past year.

(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.

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