

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: H3/18/25

A Bill

HOUSE BILL 1540

By: Representatives J. Mayberry, K. Brown

By: Senator Crowell

For An Act To Be Entitled

AN ACT TO AMEND THE INCOME TAX CREDIT AND THE INCOME TAX DEDUCTION RELATED TO MAINTAINING, SUPPORTING, AND CARING FOR AN INDIVIDUAL WITH A DISABILITY; TO AMEND AND INCREASE THE INCOME TAX CREDIT ALLOWED FOR MAINTAINING, SUPPORTING, AND CARING FOR AN INDIVIDUAL WITH A DEVELOPMENTAL DISABILITY; TO REPEAL THE INCOME TAX DEDUCTION ALLOWED FOR MAINTAINING, SUPPORTING, AND CARING FOR AN INDIVIDUAL WITH A TOTAL AND PERMANENT DISABILITY; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE INCOME TAX CREDIT AND THE INCOME TAX DEDUCTION RELATED TO MAINTAINING, SUPPORTING, AND CARING FOR AN INDIVIDUAL WITH A DISABILITY.

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

SECTION 1. Arkansas Code § 26-51-418 is repealed.

~~26-51-418. Deductions—Child with disability—Definitions.~~

~~(a) In addition to any other state income tax deduction permitted by law, a taxpayer in this state who is maintaining, supporting, and caring for a totally and permanently disabled child in his or her home shall be permitted a deduction on his or her Arkansas income taxes of five hundred dollars (\$500) for each income year that the taxpayer maintains, supports, and cares for such totally and permanently disabled child.~~

~~(b) As used in this section:~~



~~(1) "Child" means a natural or adopted child of the taxpayer;~~
and

~~(2)(A) "Totally and permanently disabled" means any child who is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve (12) months.~~

~~(B) A physical or mental impairment is an impairment that results from anatomical, physiological, or psychological abnormalities which are demonstrable by medically acceptable clinical or laboratory diagnostic techniques.~~

~~(c) The Secretary of the Department of Finance and Administration may adopt appropriate rules to carry out the purpose and intent of this section and to prevent abuse of the deduction provided for in this section.~~

SECTION 2. Arkansas Code § 26-51-503 is amended to read as follows:

26-51-503. Support of ~~a child~~ an individual with a developmental disability – Definitions.

(a) In addition to the state income tax credit permitted by § 26-51-501(a) and (b), any taxpayer in this state who is maintaining, supporting, and caring for an individual with a diagnosis of a developmental disability in the taxpayer's home is permitted, in addition to all other income tax credits, a credit of ~~five hundred dollars (\$500)~~ one thousand dollars (\$1,000) for each income year for that individual.

(b)(1) Any person wishing to take advantage of this tax credit must have certification by a licensed physician, licensed psychologist, ~~or~~ licensed psychological examiner, licensed advanced practice registered nurse, or licensed physician assistant that the individual has a diagnosis of a developmental disability.

(2) A certification provided before January 1, 2025, on the form required by the Department of Finance and Administration under this section is effective for a person to take advantage of the tax credit allowed under this section.

(c) As used in this section:

~~(1) "Diagnosis of a developmental disability" means a disability of a person that:~~

~~(A) Is attributable to:~~

- ~~(i) An intellectual disability, cerebral palsy, epilepsy, spina bifida, Down syndrome, or autism;~~
- ~~(ii) Another condition of the person found to be closely related to an intellectual disability because the condition results in an impairment of general intellectual functioning or adaptive behavior similar to that of a person with an intellectual disability or requires treatment and services similar to that required for a person with an intellectual disability; or~~
- ~~(iii) Dyslexia resulting from a disability or condition described in subdivision (c)(1)(A)(i) or subdivision (c)(1)(A)(ii) of this section;~~

~~(B) Originates before the person reaches twenty-two (22) years of age;~~

~~(C) Has continued or can be expected to continue indefinitely; and~~

~~(D) Constitutes a substantial handicap to the person's ability to function without appropriate support services, including without limitation:~~

- ~~(i) Planned recreational activities;~~
- ~~(ii) Medical services such as physical therapy and speech therapy; and~~
- ~~(iii) Possibilities for sheltered employment or job training~~

"Developmental disability" means the same as defined in 42 U.S.C. § 15002, as it existed on January 1, 2025; and

~~(2) "Individual" means a child of the taxpayer's blood, an adopted child, or a dependent within the meaning of § 26-51-501(a)(3)(B).~~

SECTION 3. EFFECTIVE DATE. Sections 1 and 2 of this act are effective for tax years beginning on or after January 1, 2025.

/s/J. Mayberry