

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 1985

By: Representative D. Garner

For An Act To Be Entitled

AN ACT TO CREATE THE ARKANSAS RENTER REFUND ACT; TO PROVIDE AN INCOME TAX CREDIT FOR CERTAIN TAXPAYERS WHO ARE RESIDENTIAL TENANTS; AND FOR OTHER PURPOSES.

Subtitle

TO CREATE THE ARKANSAS RENTER REFUND ACT; AND TO PROVIDE AN INCOME TAX CREDIT FOR CERTAIN TAXPAYERS WHO ARE RESIDENTIAL TENANTS.

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

SECTION 1. DO NOT CODIFY. Title.

This act shall be known and may be cited as the "Arkansas Renter Refund Act".

SECTION 2. Arkansas Code Title 26, Chapter 51, Subchapter 5, is amended to add an additional section to read as follows:

26-51-518. Homestead credit for renters.

(a) There is allowed an income tax credit against the income tax imposed by this chapter in the amount of five hundred dollars (\$500) for a taxpayer who:

(1) Rents his or her primary residence as a residential tenant for the entire tax year;

(2) Has a net income of less than forty thousand dollars (\$40,000) for the tax year; and

(3) Is not claimed as a dependent on another taxpayer's income



tax return.

(b) The amount of the income tax credit under this section that may be claimed by the taxpayer in a tax year shall not exceed the amount of income tax due by the taxpayer.

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