

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

SENATE BILL 423

By: Senators J. Scott, Crowell

By: Representative Ennett

## For An Act To Be Entitled

AN ACT TO EXEMPT FROM THE INDIVIDUAL INCOME TAX  
EDUCATION SCHOLARSHIPS, AWARDS, AND GRANTS FROM  
NONPROFIT VOLUNTEER SERVICE ORGANIZATIONS; AND FOR  
OTHER PURPOSES.

## Subtitle

TO EXEMPT FROM THE INDIVIDUAL INCOME TAX  
EDUCATION SCHOLARSHIPS, AWARDS, AND  
GRANTS FROM NONPROFIT VOLUNTEER SERVICE  
ORGANIZATIONS.

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:

26-51-317. Nonprofit volunteer service organization education award.

There is allowed an exemption from the individual income tax imposed by this chapter for an education scholarship, award, or grant received by a resident and awarded by a nonprofit volunteer service organization to:

- (1) Pay for the taxpayer's attendance at an institution of higher education;
  - (2) Pay for the taxpayer's educational or vocational training;
- or
- (3) Repay a taxpayer's student loan.

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



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