

Title 26. Taxation

Chapter I. Generally, Department of Finance and Administration

Subchapter D. Individual Income Tax

Part 104. Treatment of Employee Contributions to Employment-Related Plans

Codification Notes. This part as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"Pursuant to the authority vested in the Director of the Arkansas Department of Finance and Administration and the Arkansas Commissioner of Revenue pursuant to the provisions of Ark. Code Ann. §26-18-301 and in compliance with the provisions of Ark. Code Ann. §§ 25-15-201 et. seq., the Director of the Department of Finance and Administration and the Arkansas Commissioner of Revenue hereby promulgates the following rule for the administration of the Arkansas individual income tax:"

"5.This rule shall be effective on and after December 22, 2003."

Subpart 1. Generally

26 CAR § 104-101. Treatment of employee contributions to employment-related retirement plans.

(a) For tax years beginning January 1, 2003, and thereafter, individual recipients of benefits from a public or private employment-related retirement system, plan, or program shall be allowed to deduct or recover their cost of contribution in the plan when computing income for state income tax purposes.

(b) The deduction allowed for Arkansas state income tax purposes for cost of contribution for each tax year shall be the same amount as allowed as a deduction for cost of contribution for federal income tax purposes for the same tax year pursuant to Internal Revenue Code § 72 as in effect on July 1, 2003.

(c) The recovery of cost of contribution for state income taxes shall be available only for individual taxpayers who have unrecovered cost in their plan equal to or exceeding the allowable deduction in subsections (a) and (b) of this section.

(d) Nothing in this part shall be deemed to limit an individual taxpayer's entitlement to any other deduction or exemption allowed by state law with regard to benefits received from public or private employment-related retirement:

- (1) Systems;
- (2) Plans; or
- (3) Programs.

Authority. Arkansas Code § 26-18-301.

Codification Notes. Internal Revenue Code § 72 can be found at 26 U.S.C. § 72.