

1 State of Arkansas
2 89th General Assembly
3 Regular Session, 2013

A Bill

HOUSE BILL 1004

4
5 By: Representative D. Altes

For An Act To Be Entitled

8 AN ACT TO ESTABLISH AN INCOME TAX CREDIT FOR THE
9 EDUCATION EXPENSES OF DEPENDENTS; AND FOR OTHER
10 PURPOSES.

Subtitle

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14 TO ESTABLISH AN INCOME TAX CREDIT FOR
15 EDUCATION EXPENSES OF DEPENDENTS.
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18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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20 SECTION 1. Arkansas Code Title 26, Chapter 51, Subchapter 5 is amended
21 to add a new section to read as follows:

22 26-51-515. Dependent education expense credit.

23 (a) As used in this section, "dependent" means the same as defined in
24 26 U.S.C. § 152, as in effect on January 1, 2013.

25 (b) There is allowed an income tax credit against the income tax
26 imposed by the Income Tax Act of 1929, § 26-51-101 et seq., in an amount as
27 determined under subsection (c) of this section for a taxpayer who has one
28 (1) or more dependents who are full-time pupils enrolled in a kindergarten
29 through grade twelve (K-12) education program at any school.

30 (c) If the taxpayer's expenses for tuition, book fees, and laboratory
31 fees required by the dependent's school during the tax year for all of the
32 taxpayer's dependants combined are:

33 (1) Less than three hundred dollars (\$300), an income tax
34 credit under this section is not allowed; or

35 (2) Three hundred dollars (\$300) or more, the amount of the
36 income tax credit under this section is equal to twenty-five percent (25%) of



1 the amount paid for tuition, book fees, and laboratory fees by the taxpayer
2 for the dependent or dependents.

3 (d)(1) The amount of an income tax credit under this section that may
4 be used by the taxpayer shall not exceed the amount of individual income tax
5 liability.

6 (2) Any unused income tax credit under this section may be
7 carried forward for a maximum of two (2) consecutive tax years.

8 (e) The Director of the Department of Finance and Administration shall
9 promulgate rules administering this section, including without limitation
10 rules regarding the filing of documentation verifying that a dependent is
11 enrolled in a kindergarten through grade twelve (K-12) education program at
12 any school.

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14 SECTION 2. This act is effective for tax years beginning on or after
15 January 1, 2013.