

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 88th General Assembly
3 Regular Session, 2011
4

A Bill

HOUSE BILL 1030

5 By: Representative D. Altes
6

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.
11

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, 2011.

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

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

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

36 (2) Three hundred dollars (\$300) or more, the amount of the



1 income tax credit under this section is equal to twenty-five percent (25%) of
 2 the amount paid for tuition, book fees, and laboratory fees by the taxpayer
 3 for the dependent or dependents.

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

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

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

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 14 SECTION 2. This act is effective for tax years beginning on or after
 15 January 1, 2011.