

*As Engrossed: 3/13/91*

1 **State of Arkansas**  
2 **78th General Assembly**  
3 **Regular Session, 1991**  
4 **By: Representative Goodwin**

# A Bill

**HOUSE BILL 1414**

## For An Act To Be Entitled

8 "AN ACT TO AMEND ARK. CODE ANN. §26-51-601 ET SEQ. TO  
9 PERMIT ELDERLY ARKANSANS WHO ARE AT LEAST 62 YEARS OLD TO  
10 CLAIM PROPERTY TAX REFUNDS DURING THE FIRST YEAR OF  
11 QUALIFICATION; AND FOR OTHER PURPOSES."

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

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15 SECTION 1. Ark. Code Ann. §26-51-601 is hereby amended to read as  
16 follows:

17 "It is the purpose and the intent of this subchapter to prescribe a  
18 procedure whereby residents of this state who are sixty-two (62) years of age  
19 or older, who own and pay ad valorem property taxes on their homes, may claim  
20 a refund from the state for a portion of the property taxes paid on their  
21 homes to lessen the burden placed upon these taxpayers by the ad valorem  
22 property taxes levied upon their homes."

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24 SECTION 2. Ark. Code Ann. §26-51-602 is hereby amended to read as  
25 follows:

26 "As used in this subsection, unless the context otherwise requires:

27 (1) 'Income' means gross income as defined in the Arkansas Income Tax  
28 Act, as amended, §26-51-101 et seq., less deductions allowed under  
29 §26-51-423(a)(1). It shall also include alimony, support money, cash public  
30 assistance and relief, but shall not include relief granted under this  
31 subchapter; the gross amount of any pension or annuity, including all monetary  
32 retirement benefits from whatever source derived including but not limited to  
33 railroad retirement benefits, all payments received under the federal Social  
34 Security Act, and veterans' disability pensions; all dividends and interest  
35 from whatever source derived not included in gross income, workers'

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1 compensation, and the gross amount of 'loss of time insurance' but does not  
2 include gifts from nongovernmental sources, surplus food, or other relief in  
3 kind supplied by a governmental agency. However, in the case of a claimant  
4 who is a World War I veteran of the United States armed services or the widow  
5 of such a veteran, the term 'income' as used herein shall not include federal  
6 or state retirement or pension benefits or disability benefits, railroad  
7 retirement benefits, or social security benefits;

8 (2) 'Household' means a claimant, or a claimant and an individual  
9 related to the claimant as husband or wife;

10 (3) 'Household income' means the combined income received by members  
11 of a household during a calendar year;

12 (4) 'Claimant' means a person who has filed a claim for a refund under  
13 the provisions of this subchapter;

14 (5) 'Homestead' means a dwelling owned by a claimant and used as his  
15 principal place of abode and including the parcel of land on which the  
16 dwelling is situated and all lands contiguous thereto. However, no dwelling  
17 and the lands on which it is located shall be considered a homestead for the  
18 purposes of this subchapter unless the claimant has resided thereon for at  
19 least one (1) year. Further, a mobile home which is affixed to the realty and  
20 is taxed as real property may qualify as a homestead for the purposes of this  
21 subchapter;

22 (6) 'Property taxes' means all ad valorem taxes exclusive of special  
23 assessments and delinquent charges, levied and paid on a claimant's homestead  
24 during any particular year involved."

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26 SECTION 3. Ark. Code Ann. §26-51-603(a) is hereby amended to read as  
27 follows:

28 "(a) Any person sixty-two (62) years of age or older, who has been a  
29 resident of this state for two (2) years or more, who owns and has resided in  
30 a homestead in this state for a period of one (1) year or more, may, subject  
31 to the limitations and requirements prescribed in this subchapter, file a  
32 claim in the manner provided by this subchapter for a cash refund for ad  
33 valorem property taxes paid upon the homestead of the claimant during or after  
34 the third year of residency in this state, up to the limits prescribed in  
35 §26-51-607."

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SECTION 4. Ark. Code Ann. 26-51-604(a) is hereby amended to read as follows:

"(a) Any person desiring to file a claim for a cash refund under the provisions of this subchapter shall file the claim with the Department of Finance and Administration on forms prescribed by that department and shall furnish such information to substantiate the claim as is provided in this section, or as may be prescribed by regulation of the Department of Finance and Administration."

SECTION 5. Ark. Code Ann. §26-51-607 is hereby amended to read as follows:

"(a) The amount of any cash refund allowed or made pursuant to the provisions of this subchapter shall be determined as follows:

(1) If the household income of the claimant's household was seven thousand dollars (\$7,000) or less during the income year, the claimant shall be entitled to file a claim for an amount equal to the ad valorem taxes paid on the claimant's homestead; however, the maximum refund any claimant may receive under this subdivision shall be two hundred fifty dollars (\$250);

(2) If the household income of the claimant's household is more than seven thousand dollars (\$7,000) but not more than eight thousand dollars (\$8,000) for the income year, the claimant shall be entitled to file a claim for an amount equal to the ad valorem taxes paid on the claimant's homestead; however, the maximum refund any claimant may receive under this subdivision shall be two hundred dollars (\$200);

(3) If the household income of the claimant's household is more than eight thousand dollars (\$8,000) but not more than nine thousand dollars (\$9,000) for the income year, the claimant shall be entitled to file a claim for an amount equal to the ad valorem taxes paid on the claimant's homestead; however, the maximum refund any claimant may receive under this subdivision shall be one hundred fifty dollars (\$150);

(4) If the household income of the claimant's household is more than nine thousand dollars (\$9,000) but not more than ten thousand dollars (\$10,000) for the income year, the claimant shall be entitled to file a claim for an amount equal to the ad valorem taxes paid on the claimant's homestead;

1 however, the maximum refund any claimant may receive under this subdivision  
2 shall be one hundred dollars (\$100);

3 (5) If the household income of the claimant's household is more than  
4 ten thousand dollars (\$10,000) but not more than eleven thousand dollars  
5 (\$11,000) for the income year, the claimant shall be entitled to file a claim  
6 for an amount equal to the ad valorem taxes paid on the claimant's homestead;  
7 however, the maximum refund any claimant may receive under this subdivision  
8 shall be seventy-five dollars (\$75.00);

9 (6) If the household income of the claimant's household is more than  
10 eleven thousand dollars (\$11,000) but not more than twelve thousand dollars  
11 (\$12,000) for the income year, the claimant shall be entitled to file a claim  
12 for an amount equal to the ad valorem taxes paid on the claimant's homestead;  
13 however, the maximum refund any claimant may receive under this subdivision  
14 shall be fifty dollars (\$50.00).

15 (b) The refund shall be paid to the claimant as a cash refund.  
16 However, no interest shall be allowed on any payment made to a claimant under  
17 the provisions of this subchapter.

18 (c) If a claimant or another member of the household has any  
19 outstanding tax liability to the State of Arkansas, the amount of any claim  
20 otherwise payable under this subchapter, or such portion thereof as is  
21 necessary, shall be applied to the payment of the outstanding tax liability."  
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23 SECTION 6. All provisions of this act of a general and permanent nature  
24 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code  
25 Revision Commission shall incorporate the same in the Code.

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27 SECTION 7. If any provision of this act or the application thereof to  
28 any person or circumstance is held invalid, such invalidity shall not affect  
29 other provisions or applications of the act which can be given effect without  
30 the invalid provision or application, and to this end the provisions of this  
31 act are declared to be severable.

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33 SECTION 8. All laws and parts of laws in conflict with this act are  
34 hereby repealed.

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*SECTION 9. This act shall be effective on and after January 1, 1992.*

*/s/Larry Goodwin*