

1 **State of Arkansas**
2 **80th General Assembly**
3 **Regular Session, 1995**
4 **By: Senator Boozman**

A Bill

ACT 535 OF 1995
SENATE BILL 419

For An Act To Be Entitled

8 "AN ACT TO PROVIDE AN INDIVIDUAL INCOME TAX CREDIT FOR
9 ADOPTION EXPENSES; AND FOR OTHER PURPOSES."

Subtitle

12 "PROVIDES AN INCOME TAX CREDIT FOR
13 CERTAIN ADOPTION EXPENSES."

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

17 SECTION 1. For purposes of this act:

18 (1) "Adoption expenses" means any amount expended by a claimant
19 for adoption fees, court costs or legal fees relating to the adoption of a
20 child, whether or not the adoption process is completed.

21 (2) "Claimant" means an adoptive parent or a prospective adoptive
22 parent.

23 (3) "Household" means a claimant and an individual related to the
24 claimant as husband or wife.

26 SECTION 2. (a) Subject to the limitations provided in this act, there
27 shall be allowed a credit, against the tax imposed by the Arkansas Income Tax
28 Act, §26-51-101 et seq., in an amount equal to ten percent (10%) of all
29 adoption expenses incurred by a claimant which exceed twenty percent (20%) of
30 his or her Arkansas adjusted gross income.

31 (b) (1) The maximum credit that may be claimed under this act by a
32 claimant may not exceed the lesser of the amount of individual income tax
33 otherwise due or eight hundred dollars (\$800) for each adoption process.

34 (2) The maximum amount of adoption expenses for each adoption
35 process for which a credit is claimed under this act is twenty thousand
36 dollars (\$20,000).

1 (c) Except as provided in subsection (e), only one credit per household
2 is allowed each taxable year.

3 (d) If a married couple files separately, each spouse may claim a
4 maximum credit of fifty percent (50%) of the amount allowed under this act.

5

6 SECTION 3. The Department of Finance and Administration is authorized
7 to promulgate the rules and regulations necessary to administer this act.

8

9 SECTION 4. This act applies to taxable years beginning on and after
10 January 1, 1995.

11

12 SECTION 5. All provisions of this act of a general and permanent nature
13 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
14 Revision Commission shall incorporate the same in the Code.

15

16 SECTION 6. If any provision of this act or the application thereof to
17 any person or circumstance is held invalid, such invalidity shall not affect
18 other provisions or applications of the act which can be given effect without
19 the invalid provision or application, and to this end the provisions of this
20 act are declared to be severable.

21

22 SECTION 7. All laws and parts of laws in conflict with this act are
23 hereby repealed.

24

/s/Boozman

25

26

27

APPROVED: 3-7-95

28

29

30

31

32

33

34

35