

Department of Finance and Administration

Legislative Impact Statement

Bill: HB1014

Bill Subtitle: TO CREATE THE TEACHER'S CLASSROOM INVESTMENT DEDUCTION.

Basic Change :

Sponsor: Representative Leding

HB 1014 provides for an income tax deduction of up to \$500 for certain items purchased by a teacher to be used in the teacher's classroom.

Revenue Impact :

Undetermined until this bill is engrossed with substantive changes.

Taxpayer Impact :

Teachers will be allowed to deduct up to \$500 certain items purchased for use in their classroom.

Resources Required :

Tax forms and instructions will need to be revised.

Time Required :

Undetermined at this time.

Procedural Changes :

Undetermined at this time.

Other Comments :

By reason that this is a shell bill, concerns with this bill in its current form should be clarified in a later amendment, including, without limitation:

1. An effective date is needed.
2. If the intent is to benefit schools in this State, then language is needed to state that the deduction is allowed for schools located in Arkansas.
3. Definitions are needed as to "teacher" and "certain items". There is a similar deduction allowed on the federal tax return for Educator Expenses that defines who and what qualifies for the deduction.
4. Clarification is needed as to whether the deduction is a deduction from total income or an itemized deduction.

Department of Finance and Administration

Legislative Impact Statement

Bill: HB1014

Bill Subtitle: TO CREATE THE TEACHER'S CLASSROOM INVESTMENT DEDUCTION.

Legal Analysis :

This is a shell bill that will create a new income tax deduction of up to \$500 for certain items purchased by a teacher for use in the teacher's classroom.