

1 State of Arkansas
2 90th General Assembly
3 Regular Session, 2015
4

A Bill

HOUSE BILL 1275

5 By: Representative Leding
6 By: Senator J. Woods
7

For An Act To Be Entitled

9 AN ACT TO PERMIT A TAX CREDIT FOR EMPLOYERS PROVIDING
10 PAID FAMILY AND MEDICAL LEAVE TO QUALIFIED EMPLOYEES;
11 AND FOR OTHER PURPOSES.
12
13

Subtitle

14 TO PERMIT A TAX CREDIT FOR EMPLOYERS
15 PROVIDING PAID FAMILY AND MEDICAL LEAVE
16 TO QUALIFIED EMPLOYEES.
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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22 SECTION 1. Arkansas Code Title 26, Chapter 51, is amended to add an
23 additional subchapter to read as follows:
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25 26-51-2601. Title.

26 This subchapter may be cited as the "Strong Families Act".
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28 26-51-2602. Definitions.

29 As used in this subchapter:

30 (1)(A) "Family and medical leave" means leave for a serious
31 health condition of the employee that prevents the employee from performing
32 his or her essential job duties, for the birth or adoption of a child, and
33 for the care of a child, spouse, or parent who has a serious health
34 condition.

35 (B) "Family and medical leave" does not include:

36 (i) Earned sick leave;



1 (ii) Earned annual leave; or

2 (iii) Earned compensatory leave;

3 (2) "Qualified employee" means an employee who has been employed
 4 by the employer for twelve (12) consecutive months or more;

5 (3) "Serious health condition" means an illness, injury,
 6 impairment, or physical or mental condition that involves:

7 (A) Inpatient care in a hospital, hospice, or residential
 8 medical care facility; or

9 (B) Continuing treatment by a healthcare provider; and

10 (4) "Wages" means remuneration paid for personal services.

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 12 26-51-2603. Administration.

13 (a) This subchapter shall be administered in accordance with the
 14 Arkansas Tax Procedure Act, § 26-18-101 et seq.

15 (b) The Director of the Department of Finance and Administration shall
 16 promulgate rules and regulations to administer this subchapter.

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 18 26-51-2604. Strong families tax credit.

19 (a)(1) An employer is allowed a nonrefundable income tax credit
 20 against the income tax imposed by the Income Tax Act of 1929, § 26-51-101 et
 21 seq., for providing paid family and medical leave to a qualified employee.

22 (2)(A)(i) The nonrefundable income tax credit is an amount equal
 23 to twenty-five percent (25%) of the amount of wages paid to a qualified
 24 employee during a period in which the qualified employee is on family and
 25 medical leave.

26 (ii) When a qualified employee is not paid on an
 27 hourly basis, the wages of the qualified employee shall be prorated to an
 28 hourly basis.

29 (B) The nonrefundable income tax credit allowed under this
 30 section shall not exceed four thousand dollars (\$4,000) per employee in a tax
 31 year.

32 (b) An employer is eligible for a nonrefundable income tax credit
 33 under this section when the employer:

34 (1) Provides full-time qualified employees with not less than
 35 four (4) weeks of paid family and medical leave over a twelve-month period;

36 (2) Provides part-time qualified employees with an amount of

1 paid family and medical leave that is proportionate to four (4) weeks of
 2 family and medical leave prorated to the number of hours the employee is
 3 expected to work in a week to the number of hours an equivalent qualifying
 4 full-time employee is expected to work during the week;

5 (3) Provides leave on the smallest increment of time permitted
 6 under the employer's payroll system; and

7 (4) Adopts a family and medical leave policy that states that
 8 the employer will not:

9 (A) Interfere with, restrain, or deny the exercise of or
 10 the attempt to exercise a right provided under the employer's family and
 11 medical leave policy; and

12 (B) Discharge or in any other manner discriminate against
 13 an employee for opposing a practice prohibited by the policy.

14 (c) The maximum amount of time employers may provide for family and
 15 medical leave is twelve (12) weeks in a twelve-month period.

16 (d) Family and medical leave may run concurrently with leave that is
 17 required under state or federal law, including without limitation the Family
 18 and Medical Leave Act of 1993, 29 U.S.C. § 2601 et seq.

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