

Department of Finance and Administration

Legislative Impact Statement

Bill: HB1473

Bill Subtitle: TO ALLOW A TAX DEDUCTION FOR CONTRIBUTIONS TO A TUITION SAVINGS ACCOUNT IN THE ARKANSAS TAX-DEFERRED TUITION SAVINGS PROGRAM TO BE CARRIED FORWARD TO SUCCEEDING TAX YEARS.

Basic Change :

Sponsor: Representative Love

HB1473 will allow a tax deduction for contributions to a tuition savings account in the Arkansas Tax-Deferred Tuition Savings Program in excess of \$5,000 per taxpayer per year to be carried forward to the next succeeding four tax years. The current law does not allow the carry forward provision.

Revenue Impact :

Undetermined whether the amount of credits redeemed will increase due to the Taxpayer's ability to carry forward credits.

Taxpayer Impact :

Taxpayers will be able to frontload their contributions to a tuition savings account in the Arkansas Tax-Deferred Tuition Savings Program and carryover the unused aggregate amount to the next succeeding four tax years.

Resources Required :

Instructions and possibly tax forms will need to be revised.

Time Required :

Adequate time is provided.

Procedural Changes :

None.

Other Comments :

None.

Legal Analysis :

Under current law, a contribution to an Arkansas Tax-Deferred Tuition Savings Program account is deductible up to \$5,000 per tax year. This bill creates a new carry forward provision for any portion of a contribution in excess of \$5,000 to the next four succeeding tax years.