

**RULES FOR INCOME TAX CREDIT FOR RETIRED LAW ENFORCEMENT  
OFFICERS WORKING COLD CASES**

**Rule 1. Title**

These Rules shall be known as the “Rules for Income Tax Credit for Retired Law Enforcement Officers who Work Cold Cases.”

**Rule 2. Scope**

These Rules apply to the administration of Arkansas State Police (ASP) cold case investigations by retired law enforcement officers in exchange for an income tax credit pursuant to Act 841 of 2021, codified at Ark. Code Ann. § 26-51-515.

**Rule 3. Effective Date**

These Rules shall be effective on and after January 1, 2022.

**Rule 4. Definitions**

- a. “Cold Case” – any case in which the probative investigative leads have been exhausted. These cases primarily focus on unresolved death and missing persons cases.
- b. “Eligibility Certificate” – a certificate issued to an investigator containing the number of hours worked.
- c. “Good-standing” – a law enforcement officer not having been decertified, terminated for cause, or retired while they were the subject of a pending disciplinary action or internal affairs investigation, having no administrative findings for untruthfulness, and no patterns of adverse job actions.
- d. “Investigator” – a retired law enforcement officer, including retired prosecutors, who volunteers or works for the ASP Cold Case Squad in an investigative capacity, pursuant to the other rules included herein.

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### **Rule 5. Eligibility**

A Cold Case Investigator, any retired law enforcement officer who seeks to volunteer or work for the ASP Cold Case Squad as an Investigator under these Rules, must satisfy the following requirements:

- a. Former law enforcement officer who retired in good standing;
- b. Not decertified as a law enforcement officer by any state;
- c. Minimum five (5) years of criminal investigative experience;
- d. Consent to and successfully pass a criminal background investigation and drug screen;  
and,
- e. Sign a non-disclosure agreement regarding the information he or she may obtain while volunteering or working for the ASP Cold Case Squad.

### **Rule 6. Income Tax Credit**

An Investigator who volunteers or works for the ASP Cold Case Squad under these Rules is entitled to an income tax credit of up to three thousand five hundred dollars (\$3,500) subject to the limitations contained herein. An Investigator who works or volunteers for one thousand (1000) hours on one (1) or more cold cases will be eligible for the full amount of the income tax credit. Investigators who log fewer than one thousand (1000) hours will receive a pro-rata share of the income tax credit according to the number of hours worked. The amount of tax credit claimed by an individual in a year may not exceed the amount of tax due by the taxpayer in that year, and any unused portion earned may be carried forward for two (2) consecutive years following the year in which it was earned.

### **Rule 7. Time Calculations**

Whether volunteering or working as a paid employee for the ASP Cold Case Squad, an Investigator shall enter time spent investigating one (1) or more cold cases on behalf of the Division pursuant to OPM guidelines and the Department of Public Safety Human Resources Division's instructions. All time properly logged in accordance with this Rule will be recorded by ASP and attributed to the Investigator to allow for issuance of an eligibility certificate.

**Rule 8. Eligibility Certificate**

Upon application, ASP shall prepare and issue an eligibility certificate to the Investigator detailing the number of hours spent investigating one (1) or more cold cases on behalf of the Division in any tax year. ASP may only issue eligibility certificates up to a total of twenty-five thousand dollars (\$25,000) in each fiscal year. Certificates will be issued on a first-come, first-served basis. The Investigator must attach the certificate to the Investigator's income tax return for the tax year in which the credit is claimed. The amount of the income tax credit shall not exceed the amount of income tax due by the Investigator in a calendar year. The certificate must include the following information:

- a. The taxpayer's name and social security number;
- b. The date of issuance;
- c. The amount of credit including the pro-rata share;
- d. The year to which the tax credit applies;
- e. The file number; and
- f. A statement indicating carry-forward two years following the tax year in which the tax credit was earned.

**Rule 9. Coordination with the Department of Finance and Administration**

ASP will provide a copy of each eligibility certificate upon issuance to the Department of Finance and Administration, Division of Revenue – Office of Tax Credits/Special Refunds.

1 State of Arkansas  
2 93rd General Assembly  
3 Regular Session, 2021  
4

As Engrossed: H3/11/21

# A Bill

HOUSE BILL 1513

5 By: Representative Eubanks  
6 By: Senator J. Dismang  
7

## For An Act To Be Entitled

9 AN ACT TO CREATE AN INCOME TAX CREDIT FOR RETIRED LAW  
10 ENFORCEMENT OFFICERS WHO WORK COLD CASES FOR THE  
11 DIVISION OF ARKANSAS STATE POLICE; AND FOR OTHER  
12 PURPOSES.  
13  
14

## Subtitle

15 TO CREATE AN INCOME TAX CREDIT FOR  
16 RETIRED LAW ENFORCEMENT OFFICERS WHO WORK  
17 COLD CASES FOR THE DIVISION OF ARKANSAS  
18 STATE POLICE.  
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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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24 *SECTION 1. Arkansas Code Title 26, Chapter 51, Subchapter 5, is*  
25 *amended to add an additional section to read as follows:*

26 *26-51-515. Work on cold cases by retired law enforcement officers.*

27 *(a)(1) Subject to the restrictions stated in this section, there is*  
28 *allowed an income tax credit against the income tax imposed under this*  
29 *chapter for up to three thousand five hundred dollars (\$3,500) for work*  
30 *performed by the taxpayer on behalf of the Division of Arkansas State Police*  
31 *to investigate one (1) or more cold cases.*

32 *(2)(A) A taxpayer who works at least one thousand (1,000) hours*  
33 *investigating one (1) or more cold cases on behalf of the division during the*  
34 *tax year may claim the full amount of the credit allowed under subdivision*  
35 *(a)(1) of this section.*

36 *(B) A taxpayer who works less than one thousand (1,000)*



1 hours investigating one (1) or more cold cases on behalf of the division  
2 during the tax year may claim a pro rata share of the credit allowed under  
3 subdivision (a)(1) of this section based on the number of hours the taxpayer  
4 worked investigating one (1) or more cold cases on behalf of the division  
5 during the tax year compared to one thousand (1,000) hours.

6 (b) At the discretion of the division, an individual may work as a:

7 (1)(A) Volunteer to investigate one (1) or more cold cases on  
8 behalf of the division.

9 (B) An individual who works as a volunteer under this  
10 subsection is not an employee of the division, and the only benefit accruing  
11 to the individual is the tax credit allowed under this section; or

12 (2) Temporary or part-time employee of the division for an  
13 hourly rate determined by the division, not to exceed the rates of pay  
14 provided in the Uniform Classification and Compensation Act, § 21-5-201 et  
15 seq.

16 (c) The amount of the income tax credit under this section that may be  
17 claimed by the taxpayer in a tax year shall not exceed the amount of income  
18 tax due by the taxpayer.

19 (d) Any unused income tax credit under this section may be carried  
20 forward for two (2) consecutive tax years following the tax year in which the  
21 income tax credit was earned.

22 (e)(1) To be eligible to claim a tax credit under this section, a  
23 taxpayer shall:

24 (A) Be a retired law enforcement officer; and

25 (B) Apply to the division for an eligibility certificate,  
26 which shall be attached to the taxpayer's return for the tax year in which  
27 the tax credit is claimed.

28 (2) The division shall maintain an ongoing record of the  
29 eligibility certificates awarded under this section each fiscal year.

30 (3) The division shall issue eligibility certificates for the  
31 number of hours worked by each taxpayer for the tax credit allowed under this  
32 section only up to a total of twenty-five thousand dollars (\$25,000) for all  
33 taxpayers in each fiscal year on a first-come, first-served basis.

34 (f) The Director of the Division of Arkansas State Police shall:

35 (1) Promulgate rules to implement this section; and

36 (2) Consult with the Department of Finance and Administration in

1 promulgating rules under this section.

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3 SECTION 2. EFFECTIVE DATE. Section 1 of this act is effective for tax  
4 years beginning on or after January 1, 2022.

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6 SECTION 3. DO NOT CODIFY. Rules.

7 (a) When adopting the initial rules required under this act, the  
8 Director of the Division of Arkansas State Police shall file the final rules  
9 with the Secretary of State for adoption under § 25-15-204(f):

10 (1) On or before January 1, 2022; or

11 (2) If approval under § 10-3-309 has not occurred by January 1,  
12 2022, as soon as practicable after approval under § 10-3-309.

13 (b) The director shall file the proposed rules with the Legislative  
14 Council under § 10-3-309(c) sufficiently in advance of January 1, 2022, so  
15 that the Legislative Council may consider the rules for approval before  
16 January 1, 2022.

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18 */s/Eubanks*

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21 **APPROVED: 4/22/21**  
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