

INTERIM STUDY PROPOSAL 2021-143

State of Arkansas

93rd General Assembly

Third Extraordinary Session, 2022

**A Bill**

RWO/RWO

HOUSE BILL

By: Representative Pilkington

Filed with: House Committee on Insurance and Commerce  
pursuant to A.C.A. §10-3-217.

**For An Act To Be Entitled**

AN ACT TO AMEND ARKANSAS INCOME TAX LAW; TO PROVIDE  
AN INCOME TAX CREDIT FOR EMPLOYERS WHO INCUR EXPENSES  
FOR PAID FAMILY LEAVE; AND FOR OTHER PURPOSES.

**Subtitle**

TO PROVIDE AN INCOME TAX CREDIT FOR  
EMPLOYERS WHO INCUR EXPENSES FOR PAID  
FAMILY LEAVE.

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

SECTION 1. Arkansas Code Title 26, Chapter 51, Subchapter 5, is amended to add an additional section to read as follows:

26-51-517. Employer-provided paid family leave.

(a) As used in this section, "paid family leave" means partially or fully compensated time away from work for specific and generally significant family caregiving needs, including without limitation the arrival of a new child, serious illness of a close family member, or the employee's own serious medical needs.

(b) There is allowed a tax credit against the tax imposed by the Income Tax Act of 1929, § 26-51-101 et seq., in an amount determined in subsection (c) of this section for any taxpayer that incurs expenses associated with the provision of paid family leave to the employees of the taxpayer.

1           (c)(1) The amount of the tax credit available under subsection (b) of  
2 this section is equal to the amount of wages the taxpayer paid to an employee  
3 of the taxpayer for paid family leave.

4           (2) The amount of the income tax credit under this section that  
5 may be claimed by the taxpayer in a tax year shall not exceed the amount of  
6 income tax due by the taxpayer.

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8           SECTION 2. DO NOT CODIFY. Rules.

9           (a) When adopting the initial rules required under this act, the  
10 Department of Finance and Administration shall file the final rules with the  
11 Secretary of State for adoption under § 25-15-204(f):

12                   (1) On or before January 1, 2024; or

13                   (2) If approval under § 10-3-309 has not occurred by January 1,  
14 2024, as soon as practicable after approval under § 10-3-309.

15           (b) The department shall file the proposed rules with the Legislative  
16 Council under § 10-3-309(c) sufficiently in advance of January 1, 2024, so  
17 that the Legislative Council may consider the rules for approval before  
18 January 1, 2024.

19  
20           SECTION 3. EFFECTIVE DATE. Section 1 of this act is effective for tax  
21 years beginning on or after January 1, 2024.

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23  
24 Referred by Representative Pilkington

25 Prepared by: RWO/RWO