

INTERIM STUDY PROPOSAL 2009-215

1 State of Arkansas
2 87th General Assembly
3 First Extraordinary Session, 2010

A Bill

Call Item ##
MMC/CDS
SENATE BILL

5
6 By: Senator Altes

7
8 Filed with: Senate Committee on Revenue and Taxation
9 pursuant to A.C.A. §10-3-217.

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11 **For An Act To Be Entitled**

12 AN ACT TO PROVIDE AN INCOME TAX CREDIT FOR A
13 PARENT WHO CHOOSES TO STAY AT HOME WITH HIS OR
14 HER YOUNG CHILD; TO PROVIDE FOR FAMILY
15 PRESERVATION; AND FOR OTHER PURPOSES.

16
17 **Subtitle**

18 TO PROVIDE AN INCOME TAX CREDIT FOR A
19 PARENT WHO CHOOSES TO STAY AT HOME WITH
20 HIS OR HER YOUNG CHILD.

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

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25 SECTION 1. Legislative findings.

26 It is the intent of the General Assembly to provide families financial
27 assistance and monetary incentives to help one (1) parent stay at home with
28 the family's children in the nuclear family atmosphere. This assistance will
29 help the citizens of Arkansas preserve their family structure and allow the
30 children to be raised without relying on outside child care or day care. The
31 General Assembly is providing a family preservation incentive of an income
32 tax credit to a taxpayer with a dependent child four (4) years of age or
33 younger. The General Assembly finds that this incentive will reduce the
34 occurrence of juvenile crime, the need for discipline in the public schools,
35 and the number of people sentenced to prisons in Arkansas by strengthening
36 the family.

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2 SECTION 2. Arkansas Code Title 26, Chapter 51, Subchapter 5 is amended
3 to add an additional section to read as follows:

4 26-51-513. Family preservation.

5 (a) A taxpayer is allowed an income tax credit of one thousand dollars
6 (\$1,000) against the tax imposed by the Income Tax Act of 1929, § 26-51-101
7 et seq., if:

8 (1) The taxpayer has a dependent child who is four (4) years of
9 age or younger any time during the tax year;

10 (2) The taxpayer's spouse is not employed at any time during the
11 tax year for which the credit is claimed; and

12 (3) The taxpayer's spouse is not a full-time student enrolled in
13 a high school, college, university, or in a vocational-technical school or
14 community college at any time during the tax year for which the credit is
15 claimed.

16 (b) To qualify for the income tax credit under this section, the
17 taxpayer's adjusted gross income, as defined by the Income Tax Act of 1929, §
18 26-51-101 et seq., shall not exceed thirty-two thousand dollars (\$32,000) in
19 the tax year for which the income tax credit is claimed.

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

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24 SECTION 3. This act shall apply to tax years beginning on or after
25 January 1, 2009.