

INTERIM STUDY PROPOSAL 2009-220

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

**A Bill**

Call Item ##  
MMC/CDS  
SENATE BILL

6 By: Senator Altes

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

**For An Act To Be Entitled**

12 AN ACT TO ESTABLISH AN INCOME TAX CREDIT FOR THE  
13 EDUCATION EXPENSES OF DEPENDENTS; AND FOR OTHER  
14 PURPOSES.

**Subtitle**

17 TO ESTABLISH AN INCOME TAX CREDIT FOR  
18 EDUCATION EXPENSES OF DEPENDENTS.

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

23 SECTION 1. Arkansas Code Title 26, Chapter 51, Subchapter 5 is amended  
24 to add a new section to read as follows:

25 26-51-513. Dependent education expense credit.

26 (a) As used in this section, "dependent" means the same as defined in §  
27 152 of the Internal Revenue Code of 1986, as in effect on January 1, 2009.

28 (b) If a taxpayer has one (1) or more dependents who are full-time  
29 pupils enrolled in a kindergarten through grade twelve (K-12) education  
30 program at any school, the taxpayer shall be allowed a credit against the tax  
31 imposed by the Income Tax Act of 1929, § 26-51-101 et seq., with the credit  
32 being calculated in accordance with subsection (c) of this section.

33 (c) If the taxpayer's expenses for tuition, book fees, and laboratory  
34 fees required by the dependent's school during the tax year are:

35 (1) Less than three hundred dollars (\$300), there will be no  
36 credit allowed; or

1           (2) Three hundred dollars (\$300) or more, the amount of the  
2 credit shall be equal to twenty-five percent (25%) of the amount paid for  
3 tuition, book fees, and laboratory fees by the taxpayer for the dependent.

4           (d)(1) The amount of the credit that may be used by the taxpayer shall  
5 not exceed the amount of individual income tax liability.

6           (2) Any unused credit may be carried forward for a maximum of  
7 two (2) consecutive tax years.

8           (e) The Director of the Department of Finance and Administration shall  
9 promulgate rules administering this section, including without limitation the  
10 filing of documentation verifying that the dependent or dependents are in a  
11 qualifying school.

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13           SECTION 2. This act applies to tax years beginning on or after January  
14 1, 2009.

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36   Filed Date: 02/05/2010           By: MMC\CDS