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2 State of Arkansas
3 89th General Assembly
4 Regular Session, 2013

A Bill

DRAFT JLL/BAT
HOUSE BILL

5
6 By: Representative D. Altes

7 Filed with: Arkansas Legislative Council
8 pursuant to A.C.A. §10-3-217.

For An Act To Be Entitled

9
10 AN ACT TO ESTABLISH AN INCOME TAX CREDIT FOR THE
11 EDUCATION EXPENSES OF DEPENDENTS; AND FOR OTHER
12 PURPOSES.

Subtitle

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15 TO ESTABLISH AN INCOME TAX CREDIT FOR
16 EDUCATION EXPENSES OF DEPENDENTS.
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

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

24 26-51-515. Dependent education expense credit.

25 (a) As used in this section, "dependent" means the same as defined in
26 26 U.S.C. § 152, as in effect on January 1, 2013.

27 (b) There is allowed an income tax credit against the income tax
28 imposed by the Income Tax Act of 1929, § 26-51-101 et seq., in an amount as
29 determined under subsection (c) of this section for a taxpayer who has one
30 (1) or more dependents who are full-time pupils enrolled in a kindergarten
31 through grade twelve (K-12) education program at any school.

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

35 (1) Less than three hundred dollars (\$300), an income tax
36 credit under this section is not allowed; or

1 (2) Three hundred dollars (\$300) or more, the amount of the
2 income tax credit under this section is equal to twenty-five percent (25%) of
3 the amount paid for tuition, book fees, and laboratory fees by the taxpayer
4 for the dependent or dependents.

5 (d)(1) The amount of an income tax credit under this section that may
6 be used by the taxpayer shall not exceed the amount of individual income tax
7 liability.

8 (2) Any unused income tax credit under this section may be
9 carried forward for a maximum of two (2) consecutive tax years.

10 (e) The Director of the Department of Finance and Administration shall
11 promulgate rules administering this section, including without limitation
12 rules regarding the filing of documentation verifying that a dependent is
13 enrolled in a kindergarten through grade twelve (K-12) education program at
14 any school.

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16 SECTION 2. This act is effective for tax years beginning on or after
17 January 1, 2013.

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33 Referral requested by: Representative Denny Altus
34 Prepared by: JLL/BAT
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