

## **Individual Income Tax Section**

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### **Exempted Income**

1. AR Capital Development Company – income of a capital development company.  
Ark. Code Ann. § 15-4-1025  
**Unable to determine revenue impact**
  
2. Achieving a Better Life Experience Program (ABLE) – interest, dividends, and capital gains from funds invested in the ABLE Program and qualified distributions.  
Ark. Code Ann. § 20-3-111  
**2016 Estimated Impact of less than \$1M**
  
3. Military Income – pay or allowances received by an active duty member of the armed services and combat zone compensation.  
Ark. Code Ann. § 26-51-306  
**\$8.3M CY2016**
  
4. Retirement Income – the first \$6,000 of qualified retirement income is exempt.  
Ark. Code Ann. § 26-51-307  
**\$224.8M CY2016**
  
5. Capital Gain Income – 100% of gains over \$10M. Less than \$10M, then 50% of gains from 1-1-15 to 1-31-15, 45% from 2-1-15 to 6-31-16, and 50% on and after 7-1-16.  
Ark. Code Ann. § 26-51-815(b)(2, 3)  
**\$53.7M Total Impact CY2016**
  
6. Electronic Games of Skill – gambling winnings received from electronic games of skill are not included as income and taxed at a flat 3% rate that is remitted to DFA.  
Ark. Code Ann. § 26-51-1310(f)(1)  
**No revenue lost.**

### **Deductions from Income**

1. Border city exemption. (Texarkana)  
Ark. Code Ann. § 26-51-403(b)(14)  
**\$20.3M CY2016\***  
\*Partially offset by 1.0% special sales tax - \$4.5M in collections CY2016
  
2. Contributions to a long-term intergenerational trust.  
Ark. Code Ann. § 26-51-403(b)(16)  
**\$6K CY2016**

3. Individuals With Disabilities – for the care of individuals with disabilities.  
Ark. Code Ann. § 26-51-418  
**\$380K CY2016**
4. Standard Deduction –\$2,200 per taxpayer beginning in tax year 2015.  
Ark. Code Ann. § 26-51-430  
**\$56.7M CY2016**
5. Volunteer Firefighter – amounts paid by volunteer firefighters and not reimbursed by the fire department to purchase firefighting equipment up to \$1,000 a year.  
Ark. Code Ann. § 26-51-458  
**\$16K CY2016**
6. Organ Donor Deduction – up to \$10,000 for living human organ donation.  
Ark. Code Ann. § 26-51-2103  
**\$5K CY2016**

### **Exclusions from Income**

1. Gifts – value of property acquired by gift, bequest, devise, or descent.  
Ark. Code Ann. § 26-51-404(b)(4)  
**Unable to determine revenue impact**
2. Workers' Comp, Social Security, Railroad Retirement, and Unemployment.  
Ark. Code Ann. § 26-51-404(b)(6)  
**\$430M Estimate based on current Federal information**
3. Parsonage Allowance – rental value of parsonages.  
Ark. Code Ann. § 26-51-404(b)(9)  
**Unable to determine revenue impact**
4. Long-Term Intergenerational Trust – interest, dividends, and capital gains recognized on a long-term intergenerational trust.  
Ark. Code Ann. § 26-51-404(b)(21)  
**Unable to determine revenue impact**
5. Individual Development Account – interest and dividends earned on an individual development account and matching funds deposited.  
Ark. Code Ann. § 26-51-404(b)(22)  
**Unable to determine revenue impact**

## Individual Tax Credits

1. Phenylketonuria and Other Metabolic Disorders – allows a credit up to \$2,400 per year, per child for expenses on the purchases of medically necessary foods and low protein modified food products.  
Ark. Code Ann. § 23-79-702  
**\$74K CY2016**
  
2. Personal Tax Credits – allows for \$26 credit for each taxpayer, dependent, over 65, 65 special, blind, deaf, head of household/qualifying widower. The 65 special may be claimed by any taxpayer 65 or older that is not claiming a retirement exclusion.  
Ark. Code Ann. § 26-51-501  
**\$76M CY2016**
  
3. Individuals with Developmental Disabilities – allows a \$500 credit for taxpayers with dependents that have developmental disabilities.  
Ark. Code Ann. § 26-51-503  
**\$4.3M CY2016**
  
4. Other State Tax Credit – allows a credit to Arkansas residents for income taxes paid to another state on income taxed by both states.  
Ark. Code Ann. § 26-51-504  
**\$56.3M CY2016**
  
5. Political Contributions – allows up to \$50 for contributions made to an Arkansas political candidate, party or action committee.  
Passed by Arkansas voters on 11/05/1996  
**\$759K CY2016**
  
6. Low Income Tax Credit – allows qualifying taxpayers to use the Low Income Tax Table to determine the tax liability.  
Ark. Code Ann. § 26-51-301(f)  
**Unable to determine revenue impact**

# Corporate Income Tax Section

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## Exempted Income

1. Insurance Companies – domestic Life and Disability Insurance Companies and Foreign Insurance Companies.  
Ark. Code Ann. § 26-51-303(a)(2)  
**Unable to determine revenue impact**  
**Pays the Insurance Premium tax.**
2. Farmers', Mutual Hail, Cyclone, And Fire Insurance Companies – certain insurance companies if 85% or more of the income consists of assessments, dues, and fees collected from members for the purpose of meeting losses and expenses.  
Ark. Code Ann. § 26-51-303(a)(6)  
**Unable to determine revenue impact**  
**Pays the Insurance Premium tax.**
3. Churches – income from interest on the savings and investments from dedicated funds, from the sale of dedicated church property, and from rental of dedicated church property.  
Ark. Code Ann. § 26-51-206  
**Unable to determine revenue impact**
4. Fraternal Benefit Societies, Orders, or Associations – Organizations and Fraternities Operating Under the Lodge System.  
Ark. Code Ann. § 26-51-303(a)(1)  
**Unable to determine revenue impact**
5. Cemetery Corporations - cemeteries pay no income tax.  
Ark. Code Ann. § 26-51-303(a)(3)  
**Unable to determine revenue impact**
6. Business Leagues, Chambers of Commerce, Boards of Trade Not Organized for Profit – nonprofit business leagues, chambers of commerce, and boards of trade.  
Ark. Code Ann. § 26-51-303(a)(4)  
**Unable to determine revenue impact**
7. Civic leagues – nonprofit Civic leagues or organizations operated for the promotion of social welfare.  
Ark. Code Ann. § 26-501-303(a)(5)  
**Unable to determine revenue impact**
8. Ditch or Irrigation Companies – mutual ditch or irrigation companies if 85% or more of the income consists of assessments, dues, and fees collected from members for the purpose of meeting losses and expenses.

Ark. Code Ann. § 26-51-303(a)(6)

**Unable to determine revenue impact**

9. Mutual or Cooperative Telephone Companies – mutual or cooperative telephone companies if 85% or more of the income consists of assessments, dues, and fees collected from members for the purpose of meeting losses and expenses.

Ark. Code Ann. § 26-51-303(a)(6)

**Unable to determine revenue impact**

10. Farmers', Fruit Growers', And Like Organizations – farmers and fruit growers organizations organized and operated as sales agents for the purpose of marketing the products of members and returning to the members the proceeds of sales on the basis of the quantity of produce furnished by the member.

Ark. Code Ann. § 26-51-303(a)(7)

**Unable to determine revenue impact**

11. Labor, agricultural, or horticultural organizations.

Ark. Code Ann. § 26-51-303(a)(8)

**Unable to determine revenue impact**

12. Corporations, trusts, community chest, fund or foundation – corporations, trusts, community chest, fund, or foundations organized and operated for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals.

Ark. Code Ann. § 26-51-303(a)(9)

**Unable to determine revenue impact**

13. Political organizations.

Ark. Code Ann. § 26-51-303(a)(10)

**Unable to determine revenue impact**

14. Nonprofit Investment Income – investment income of a nonprofit organization.

Ark. Code Ann. § 26-51-304

**Unable to determine revenue impact**

15. Windmill Blade Manufacturer – exempts a qualified windmill blade manufacturer.

Ark. Code Ann. § 26-51-311

**Unable to disclose revenue impact**

16. Windmill Blade and Windmill Components – limited exemptions for qualified windmill blade and windmill component manufacturers.

Ark. Code Ann. § 26-51-312

**Unable to disclose revenue impact**

17. Biofuels – qualified drop-in biofuels manufacturers.  
Ark. Code Ann. § 26-51-313  
**Unable to determine revenue impact**
18. Dividends – received from a subsidiary at least 80% owned.  
Ark. Code Ann. § 26-51-404(b)(8)  
**Unable to determine revenue impact**

### **Deductions from Income**

1. NOL – Steel Manufactures – carryover up to 10 years.  
Ark. Code Ann. § 15-4-2404  
**\$0 CY2016**
2. Reserve for bad debts – bad debt expense by banks and savings & loans.  
Ark. Code Ann. § 26-51-426  
**Unable to determine revenue impact**
3. Steel Mill Incentive – invest at least \$120 million in a steel mill in Arkansas.  
Ark. Code Ann. § 26-51-1203  
**Unable to determine revenue impact**

### **Exclusions from Income**

1. Church Passive Investment – income from rentals or gains on sales of dedicated property held only as a passive investment by a church.  
Ark. Code Ann. § 26-51-206(b)  
**Unable to determine revenue impact**

# Corporate and Individual Income Tax Section

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## Exempted Income

1. AR Amendment 82 – bonds issued and interest on bonds exempt for Amendment 82 projects.  
Ark. Code Ann. § 15-4-3216  
**Unable to determine revenue impact**
2. Venture Capital Investment – 100% of net capital gain from a venture capital investment.  
Ark. Code Ann. § 26-51-815(d)  
**Unable to determine revenue impact**
3. Small business stock capital gains – incentive to invest in small business stock.  
Ark. Code Ann. § 26-51-1801  
**Unable to determine revenue impact**
4. Small Business Growth Act of 1985 – bonds issued and interest on the bonds.  
Ark. Code Ann. § 15-4-413  
**Corporate – Less than \$1M, Individual – Less than \$1M CY2016**
5. Industrial Development Corp – interest on bonds or other obligations under the act.  
Ark. Code Ann. § 15-4-524  
**Corporate – Less than \$1M, Individual – Less than \$1M CY2016**
6. AR Development Finance Corp – interest on bonds or other obligations under the act.  
Ark. Code Ann. § 15-4-925  
**Corporate – Less than \$1M, Individual – Less than \$1M CY2016**
7. Agricultural Disaster Programs Payments.  
Ark. Code Ann. § 26-51-314  
**Corporate – Less than \$1M, Individual – Less than \$1M CY2016**

## Deductions from Income

1. Trade and business deductions including gambling losses.  
Ark. Code Ann. § 26-51-403(b)(1)  
**Unable to determine revenue impact**
2. Certain deductions of life tenants and income beneficiaries of property.  
Ark. Code Ann. § 26-51-403(b)(6)  
**Unable to determine revenue impact**

3. Related Party Expenses – interest and intangible-related expenses paid to related party.  
Ark. Code Ann. § 26-51-423(g)(1)  
**Unable to determine revenue impact**
4. Capitalized Costs – inclusion in inventory costs of certain expenses.  
Ark. Code Ann. § 26-51-439(a)  
**Unable to determine revenue impact**
5. Start-Up Costs – capitalization and amortization of corporate start-up costs.  
Ark. Code Ann. § 26-51-439(b)  
**Unable to determine revenue impact**
6. Organizational expenses – capitalization and amortization of corporation organization expenses.  
Ark. Code Ann. § 26-51-439(c)  
**Unable to determine revenue impact**
7. Dividend Paid – by qualified "non-captive" real estate investment trusts.  
Ark. Code Ann. § 26-51-440  
**Unable to determine revenue impact**
8. Small Business Guaranty Fees – amounts paid to the U.S. Small Business Administration as a guaranty fee.  
Ark. Code Ann. § 26-51-450  
**Unable to determine revenue impact**
9. Small Business Stock Capital Gains – sale of qualified small business stock.  
Ark. Code Ann. § 26-51-1801  
**Unable to determine revenue impact**



## Federal Tax Section

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### Exempted Income

1. Military Spouse Residency Relief Act, Public Law 111-97 – income of a military member's spouse.  
**Individual Only – Unable to determine revenue impact**
2. Trusts – certain trusts forming part of qualified deferred compensation plans of employers for benefit of employees as described in IRC § 401(a).  
Ark. Code Ann. § 26-51-308  
**Individual Only – Unable to determine revenue impact**
3. Foreign Income Exclusion – certain amounts of foreign earned income and housing costs.  
Ark. Code Ann. § 26-51-310  
**Individual Only – Unable to determine revenue impact**
4. Child Support – pursuant to IRC § 71.  
Ark. Code Ann. § 26-51-417(a)  
**Individual Only – Unable to determine revenue impact**
5. Coverdell Education Savings Account – pursuant to IRC § 530.  
Ark. Code Ann. § 26-51-448(a)  
**Individual Only – Unable to determine revenue impact**
6. Interest – exempts Interest on U.S., State of AR or local obligations.  
Ark. Code Ann. § 26-51-404(b)(5)  
**Individual Only – Unable to determine revenue impact**
7. Disaster Response – out-of-state businesses and employees from certain taxes and regulations during a disaster period.  
Ark. Code Ann. § 12-88-101 to 109.  
**Corporate – Less than \$1M, Individual – Less than \$1M CY2016**

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### Deductions from Income

1. Miscellaneous Itemized Deductions.  
Ark. Code Ann. § 26-51-437  
**Corporate - Unable to determine revenue impact, Individual – \$26M CY2016**

2. Tuition – paid to post-secondary educational institutions.  
Ark. Code Ann. § 26-51-447  
**Corporate - Unable to determine revenue impact, Individual – \$4.1M CY2016**
3. Trade and business deductions of employee.  
Ark. Code Ann. § 26-51-403(b)(2)  
**Corporate and Individual – Unable to determine revenue impact**
4. Employee expenses reimbursed by employer.  
Ark. Code Ann. § 26-51-403(b)(3)  
**Corporate and Individual – Unable to determine revenue impact**
5. Loss from the sale or exchange of property deduction.  
Ark. Code Ann. § 26-51-403(b)(4)  
**Corporate and Individual – Unable to determine revenue impact**
6. Property held for the production of rents and royalties.  
Ark. Code Ann. § 26-51-403(b)(5)  
**Corporate and Individual – Unable to determine revenue impact**
7. Certain portions of lump-sum distributions from pension plans.  
Ark. Code Ann. § 26-51-403(b)(7)  
**Corporate and Individual – Unable to determine revenue impact**
8. Deferred Compensation Plans – pursuant to IRC § § 72, 219, 401, 402-404, 406-416, 457 for annuities, retirement savings, and employee benefits.  
Ark. Code Ann. § 26-51-414(a)(1)  
**Corporate and Individual – Unable to determine revenue impact**
9. Travel Expenses – business travel expenses.  
Ark. Code Ann. § 26-51-423(a)(3)  
**Corporate and Individual – Unable to determine revenue impact**
10. Entertainment Expenses – business entertainment, amusement, recreation, meals, travel, etc. pursuant to IRC § 274.  
Ark. Code Ann. § 26-51-423(b)  
**Corporate and Individual – Unable to determine revenue impact**
11. Environmental Expenses – cleanup of certain hazardous substances pursuant to IRC § 198.  
Ark. Code Ann. § 26-51-423(e)  
**Corporate and Individual – Unable to determine revenue impact**

12. Handicap and Elderly Expenses – to improve access to vehicles and facilities for handicapped and elderly persons pursuant to IRC § 190.  
Ark. Code Ann. § 26-51-423(f)  
**Corporate and Individual – Unable to determine revenue impact**
13. Reforestation Expenses – amortization of qualified reforestation expenses pursuant to IRC § 194.  
Ark. Code Ann. § 26-51-423(h)  
**Corporate - Unable to determine revenue impact, Individual – \$21K CY2016**
14. Soil and Water Conservation – pursuant to IRC § 175.  
Ark. Code Ann. § 26-51-444  
**Corporate and Individual – Unable to determine revenue impact**
15. Alimony and Separate maintenance payments pursuant to IRC § 215.  
Ark. Code Ann. § 26-51-403(b)(9) and (10) and 26-51-417(b)  
**Individual Only - \$2.2M CY2016**
16. Contributions by self-employed persons to pension, profit-sharing, and annuity plans.  
Ark. Code Ann. § 26-51-403(b)(13)  
**Individual Only - \$3.2M CY2016**
17. Health insurance costs of self-employed persons.  
Ark. Code Ann. § 26-51-403(b)(15)  
**Individual Only - \$8.9M CY2016**
18. Contributions to the Arkansas Tax-Deferred Tuition Savings Program.  
Ark. Code Ann. § 26-51-403(b)(17)  
**Individual Only - \$1.1M CY2016**
19. Medical and Dental Expenses – pursuant to IRC § 213.  
Ark. Code Ann. § 26-51-423(a)(2)  
**Individual Only - \$31.8M CY2016**
20. Moving Expenses – pursuant to IRC § 217.  
Ark. Code Ann. § 26-51-423(a)(4)  
**Individual Only - \$410K CY2016**
21. Self-Employed Insurance – pursuant to IRC § 162.  
Ark. Code Ann. § 26-51-423(c)(1)  
**Individual Only - \$8.9M CY2016**
22. Student Loan Interest – pursuant to IRC § 221.  
Ark. Code Ann. § 26-51-423(d)  
**Individual Only - \$4.3M CY2016**

23. Interest forfeited on a premature withdrawal from time savings account or deposit.  
Ark. Code Ann. § 26-51-403(b)(11)  
**Corporate – less than \$1M, Individual – \$35K CY2016**
24. Payments to an IRA.  
Ark. Code Ann. § 26-51-403(b)(12)  
**Corporate – less than \$1M, Individual – \$4.2M CY2016**
25. Interest Expense - pursuant to IRC § 163.  
Ark. Code Ann. § 26-51-415  
**Corporate – \$262.7M, Individual - Unable to determine revenue impact CY2016**
26. Taxes.  
Ark. Code Ann. § 26-51-416  
**Corporate – \$215.6M, Individual - Unable to determine revenue impact CY2016**
27. Charitable Contributions – pursuant to IRC § 170.  
Ark. Code Ann. § 26-51-419 and 420  
**Corporate – \$6.4M, Individual – \$80.1M CY2016**
28. Artistic, Literary, and Musical Donations – fair market value of donated artistic, literary, and musical creations to museums, art galleries, or nonprofit organizations.  
Ark. Code Ann. § 26-51-422  
**Corporate – less than \$1M, Individual – \$13K CY2016**
29. Business Expenses – for trade or business expenses pursuant to IRC § 162.  
Ark. Code Ann. § 26-51-423(a)(1)  
**Corporate – \$8,698.8M, Individual - Unable to determine revenue impact CY2016**
30. Losses – any loss incurred not compensated for by insurance. (Miscellaneous, casualty and theft, and hobby losses).  
Ark. Code Ann. § 26-51-424  
**Corporate – \$19M, Individual – \$11.3M CY2016**
31. Worthless Debts.  
Ark. Code Ann. § 26-51-425  
**Corporate – \$224.9M, Individual - Unable to determine revenue impact CY2016**
32. Net Operating Loss – carryover for 5 years.  
Ark. Code Ann. § 26-51-427  
**Corporate – \$66.6M, Individual - Unable to determine revenue impact CY2016**
33. Depreciation – depreciation and the expensing of property pursuant to IRC § § 167, 168(a)-(j), 179, and 179A.  
Ark. Code Ann. § 26-51-428(a)  
**Corporate – \$275.4M, Individual - Unable to determine revenue impact CY2016**

34. Amortization of Goodwill – goodwill and other intangibles pursuant to IRC § 197.  
Ark. Code Ann. § 26-51-428(c)  
**Corporate – \$26M, Individual - Unable to determine revenue impact CY2016**
35. Depletion – for natural resources, oil, and gas wells pursuant to IRC § § 611-613, 614, 616, and 617.  
Ark. Code Ann. § 26-51-429  
**Corporate – \$10M, Individual - Unable to determine revenue impact CY2016**
36. Health Savings Account – for amounts deposited to HSAs pursuant to IRC § 223(a)-(d), (e)(2), (f), and (g).  
Ark. Code Ann. § 26-51-453  
**Corporate - Unable to determine revenue impact, Individual – \$1.5M CY2016**
37. Claim of Right – for a substantial amount held under a claim of right pursuant to IRC § 1341(a)(1)-(3) and (b)(2).  
Ark. Code Ann. § 26-51-457  
**Corporate – Less than \$1M, Individual – Less than \$1M CY2016**

### Exclusions from Income

1. Scholarships, Fellowships, and Grants – pursuant to IRC § 117.  
Ark. Code Ann. § 26-51-404(a)(4)  
**Individual – Unable to determine revenue impact**
2. Gain resulting from involuntary conversion of a taxpayer's property – pursuant to IRC § 1033.  
Ark. Code Ann. § 26-51-404(b)(1)  
**Individual – Unable to determine revenue impact**
3. Gain on sale of principal residence – pursuant to IRC § 121.  
Ark. Code Ann. § 26-51-404(b)(2)  
**Individual – Unable to determine revenue impact**
4. Certain Death Benefits – proceeds or benefits paid upon the illness or death of the insured person pursuant to IRC § 101.  
Ark. Code Ann. § 26-51-404(b)(3)  
**Individual – Unable to determine revenue impact**

5. Discharge of Indebtedness – pursuant to IRC § § 108 and 1017.  
Ark. Code Ann. § 26-51-404(b)(10)  
**Individual – Unable to determine revenue impact**
6. Cafeteria Plan – payments received under a cafeteria plan pursuant to IRC § 125.  
Ark. Code Ann. § 26-51-404(b)(11)  
**Individual – Unable to determine revenue impact**
7. Dependent Care Assistance – pursuant to IRC § 129.  
Ark. Code Ann. § 26-51-404(b)(12)  
**Individual – Unable to determine revenue impact**
8. Group Term Life Insurance – pursuant to IRC § 79.  
Ark. Code Ann. § 26-51-404(b)(13)  
**Individual – Unable to determine revenue impact**
9. Disability and Health Plan – pursuant to IRC § § 1, 104, 105, and 106.  
Ark. Code Ann. § 26-51-404(b)(14)  
**Individual – Unable to determine revenue impact**
10. Moving Expenses – pursuant to IRC § 82.  
Ark. Code Ann. § 26-51-404(b)(15)  
**Individual – Unable to determine revenue impact**
11. Meals and Lodging – pursuant to IRC § 119.  
Ark. Code Ann. § 26-51-404(b)(16)  
**Individual – Unable to determine revenue impact**
12. Cost-Sharing Payments – certain cost-sharing payments pursuant to IRC § 126 primarily for the purpose of conserving soil, water or restoring environment, forests, and protecting wildlife habitats.  
Ark. Code Ann. § 26-51-404(b)(17)  
**Individual – Unable to determine revenue impact**
13. Foster Care – pursuant to IRC § 131.  
Ark. Code Ann. § 26-51-404(b)(18)  
**Individual – Unable to determine revenue impact**
14. Fringe Benefits – pursuant to IRC § 132.  
Ark. Code Ann. § 26-51-404(b)(19)  
**Individual – Unable to determine revenue impact**
15. Education Expenses – paid by an employer pursuant to IRC § 127.  
Ark. Code Ann. § 26-51-404(b)(20)  
**Individual – Unable to determine revenue impact**

16. Medicare Plus Choice MSAs – pursuant to IRC § 138.  
Ark. Code Ann. § 26-51-404(b)(23)  
**Individual – Unable to determine revenue impact**
17. Life Insurance, Endowment, and Annuity Contracts – certain proceeds received under life insurance, endowment, and annuity contracts pursuant to IRC § 72.  
Ark. Code Ann. § 26-51-404(b)(24)  
**Individual – Unable to determine revenue impact**
18. Employer's Adoption Assistance Program – benefits received pursuant to IRC § 137.  
Ark. Code Ann. § 26-51-404(b)(25)  
**Individual – Unable to determine revenue impact**
19. Health Savings Account - contributions by an employer to an employee's HSA.  
Ark. Code Ann. § 26-51-404(b)(26)  
**Individual – Unable to determine revenue impact**
20. Military Benefits – qualified military benefits pursuant to IRC § 134.  
Ark. Code Ann. § 26-51-404(b)(27)  
**Individual – Unable to determine revenue impact**
21. IRA Charitable Distributions – for charitable purposes pursuant to IRC § 408(d)(8).  
Ark. Code Ann. § 26-51-404(b)(28)  
**Individual – Less than \$1M CY2016**
22. Small Business Stock – gain from certain small business stock pursuant to IRC § 1202.  
Ark. Code Ann. § 26-51-815(c)  
**Individual – Unable to determine revenue impact**

### **Individual Tax Credits**

1. Adoption Expenses – allows up to 20% of the federal tax credit allowed pursuant to § IRC 23 and 36C.  
Ark. Code Ann. § 26-51-445  
**Individual Only - \$975K CY2016**
2. Child Care – allows up to 20% of the federal tax credit allowed pursuant to § IRC 21  
Ark. Code Ann. § 26-51-502(a) and (b).  
**Individual Only - \$6M CY2016**
3. Early Childhood Program – allows a refundable credit up to 20% of the federal tax credit allowed for an approved early childhood facility pursuant to § IRC 21  
Ark. Code Ann. § 26-51-502(c).  
**Individual Only - \$85K CY2016**