

1 State of Arkansas  
2 80th General Assembly  
3 Regular Session, 1995  
4 By: Senator Boozman

# A Bill

SENATE BILL 419

## For An Act To Be Entitled

"AN ACT TO PROVIDE AN INDIVIDUAL INCOME TAX CREDIT FOR  
ADOPTION EXPENSES; AND FOR OTHER PURPOSES."

### Subtitle

"PROVIDES AN INCOME TAX CREDIT FOR  
CERTAIN ADOPTION EXPENSES."

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

SECTION 1. For purposes of this act:

(1) "Adoption expenses" means any amount expended by a claimant for adoption fees, court costs or legal fees relating to the adoption of a child, whether or not the adoption process is completed.

(2) "Claimant" means an adoptive parent or a prospective adoptive parent.

(3) "Household" means a claimant and an individual related to the claimant as husband or wife.

SECTION 2. (a) Subject to the limitations provided in this act, there shall be allowed a credit, against the tax imposed by the Arkansas Income Tax Act, §26-51-101 et seq., in an amount equal to ten percent (10%) of all adoption expenses incurred by a claimant which exceed twenty percent (20%) of his or her Arkansas adjusted gross income.

(b)(1) The maximum credit that may be claimed under this act by a claimant may not exceed the lesser of the amount of individual income tax otherwise due or eight hundred dollars (\$800) for each adoption process.

(2) The maximum amount of adoption expenses for each adoption process for which a credit is claimed under this act is twenty thousand

1 dollars (\$20,000).

2 (c) Except as provided in subsection (e), only one credit per  
3 household is allowed each taxable year.

4 (d) If a married couple files separately, each spouse may claim a  
5 maximum credit of fifty percent (50%) of the amount allowed under this act.

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7 SECTION 3. The Department of Finance and Administration is authorized  
8 to promulgate the rules and regulations necessary to administer this act.

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10 SECTION 4. This act applies to taxable years beginning on and after  
11 January 1, 1995.

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13 SECTION 5. All provisions of this act of a general and permanent  
14 nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas  
15 Code Revision Commission shall incorporate the same in the Code.

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17 SECTION 6. If any provision of this act or the application thereof to  
18 any person or circumstance is held invalid, such invalidity shall not affect  
19 other provisions or applications of the act which can be given effect without  
20 the invalid provision or application, and to this end the provisions of this  
21 act are declared to be severable.

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23 SECTION 7. All laws and parts of laws in conflict with this act are  
24 hereby repealed.

25 */s/Boozman*

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