

1 State of Arkansas
2 81st General Assembly
3 Regular Session, 1997

A Bill

HOUSE BILL 1035

4 By: Representative Courtway

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For An Act To Be Entitled

8 "AN ACT TO INCREASE THE PERSONAL TAX CREDITS FOR INCOME
9 TAX PURPOSES; AND FOR OTHER PURPOSES."

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Subtitle

13 "TO INCREASE THE PERSONAL INCOME TAX
14 CREDITS."

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

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18 SECTION 1. Arkansas Code § 26-51-501(a) is amended to read as follows:

19 "(a) There shall be deducted from the tax after the tax shall have been
20 computed as set forth in this act a personal tax credit as follows:

21 (1) For a single individual, forty dollars (\$40.00). However, a
22 taxpayer who was blind or deaf at any time during the income year shall be
23 entitled to an additional tax credit of twenty dollars (\$20.00). A single
24 individual who is deaf-blind shall be entitled to an additional tax credit of
25 forty dollars (\$40.00). A single individual of sixty-five (65) years of age or
26 older shall be entitled to an additional tax credit of twenty dollars
27 (\$20.00);

28 (2)(A) For the head of household, surviving spouse, or a married
29 individual living with husband or wife, eighty dollars (\$80.00). A husband
30 and wife living together and filing either jointly or separately on the same
31 income tax form shall receive but one (1) personal tax credit of eighty
32 dollars (\$80.00) against their aggregate tax.

33 (B) However, in the event the husband or wife shall be
34 sixty-five (65) years of age or older, each of them who is sixty-five (65)
35 years of age or older shall be entitled to an additional tax credit of twenty
36 dollars (\$20.00).

1 (C) However, any husband or wife filing a separate return on a
2 separate tax form shall receive a tax credit of forty dollars (\$40.00) on each
3 return so filed, but if the husband or wife is sixty-five (65) years of age or
4 older, each of them who is sixty-five (65) years of age or older shall be
5 entitled to an additional tax credit of twenty dollars (\$20.00). The preceding
6 sentence shall apply only so long as the Director of the Department of Finance
7 and Administration continues to provide a tax return on which a husband and
8 wife can elect to file jointly or separately on the same return;

9 (D) The term head of household shall have the same meaning
10 as defined in section 2(b) of the Internal Revenue Code of 1986, as in effect
11 on January 1, 1993.

12 (E) The term surviving spouse shall have the same meaning as
13 defined in section 2(a) of the Internal Revenue Code of 1986, as in effect on
14 January 1, 1993.

15 (3)(A) For each individual, other than husband or wife, who has a
16 gross income for the tax year of less than three thousand dollars (\$3,000),
17 who has not filed a joint return with his or her spouse for the taxable year
18 and who is dependent upon and receives his or her chief support from the
19 taxpayer, fifty dollars (\$50.00).

20 (B) For the purposes of subdivision (a)(3) of this section,
21 the term dependent means any of the following persons over half of whose
22 support for the income year was received from the taxpayer:

- 23 (i) A son or daughter or descendant of either;
24 (ii) A stepson or stepdaughter;
25 (iii) A brother, sister, stepbrother, or stepsister;
26 (iv) Father or mother or an ancestor of either;
27 (v) A stepfather or stepmother;
28 (vi) A son or daughter of a brother or sister;
29 (vii) A brother or sister of the father or mother;
30 (viii) A son-in-law, daughter-in-law, father-in-law,
31 mother-in-law, brother-in-law, or sister-in-law of the taxpayer.

32 (C) As used in subdivision (a)(3) of this section, the terms
33 brother and sister include a brother or sister by half blood. For the
34 purpose of determining whether any of the foregoing relationships exist, a
35 legally adopted child or a person shall be considered a child of that person
36 by blood.

1 (D) The term dependent does not include any individual who
 2 is a citizen or subject of a foreign country unless that individual is a
 3 resident of the United States or a country contiguous to the United States;

4 (4) In the case of a fiduciary:

5 (A) If taxable under § 26-51-203(a)(1), twenty dollars
 6 (\$20.00);

7 (B) If taxable under § 26-51-203(a)(2), the same tax credit as
 8 would be allowed the deceased, if living;

9 (C) If taxable under § 26-51-203(a)(3), the tax credit to
 10 which the beneficiary would be entitled;

11 (5) In the case of a nonresident taxpayer, the taxpayer shall be
 12 entitled to that proportion of the tax credit granted by this act that the
 13 gross income within the state bears to the entire gross income wherever
 14 earned."

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16 SECTION 2. This act is effective for tax years beginning after December
 17 31, 1996.

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19 SECTION 3. All provisions of this act of a general and permanent nature
 20 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
 21 Revision Commission shall incorporate the same in the Code.

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23 SECTION 4. If any provision of this act or the application thereof to
 24 any person or circumstance is held invalid, such invalidity shall not affect
 25 other provisions or applications of the act which can be given effect without
 26 the invalid provision or application, and to this end the provisions of this
 27 act are declared to be severable.

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29 SECTION 5. All laws and parts of laws in conflict with this act are
 30 hereby repealed.

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