

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

A Bill

SENATE BILL 487

4
5 By: Senators Todd and Harriman

For An Act To Be Entitled

9 "AN ACT TO PROVIDE A DEDUCTION FOR TUITION TO POST-
10 SECONDARY EDUCATIONAL INSTITUTIONS; AND FOR OTHER
11 PURPOSES."

Subtitle

14 "AN ACT TO PROVIDE A DEDUCTION FOR
15 TUITION TO POST-SECONDARY EDUCATIONAL
16 INSTITUTIONS."

17
18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

19
20 SECTION 1. Arkansas Code Title 26, Chapter 51, Subchapter 4 is amended
21 to add a new section to read as follows:

22 "26-51-447. Deductions - Tuition to Post-Secondary Educational
23 Institutions.

24 (a) In computing net income for the purposes of the Arkansas Income Tax
25 Act, as amended, §26-51-101 et seq., there shall be allowed as a deduction in
26 addition to all other deductions allowed by law for a portion of the amount
27 paid by the taxpayer as tuition for the taxpayer, the taxpayers spouse or
28 dependent to attend a post-secondary educational institution. The deduction
29 shall be equal to fifty percent (50%) of the lesser of either the amount of
30 tuition paid or the weighted average tuition for post-secondary educational
31 institutions of the same classification.

32 (b) On or before November 30, 1998 of each year thereafter, the
33 director shall determine the weighted average tuition of post-secondary
34 institutions of each of the following classifications:

- 35 (1) Four-year institutions of higher education;
36 (2) Two-year institutions of higher education; and

1 (3) Technical institutes.

2 (c)(1) For the purpose of this section, weighted average tuition means
3 the tuition cost resulting from the following calculation:

4 (A) Add the products of the annual tuition at each state-
5 supported post-secondary institution of the same classification multiplied by
6 that institution's total number of fiscal-year-equated students; and

7 (B) Divide the gross total of the product from subdivision
8 (d)(1) of this section by the total number of fiscal-year-equated students
9 attending each state-supported post-secondary institution of the same
10 classification.

11 (2) For four-year institutions of higher education only
12 undergraduate tuition and undergraduate students shall be used in calculating
13 weighted average tuition."

14

15 SECTION 2. This act shall be effective for tax years beginning on or
16 after January 1, 1998.

17

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

21

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

27

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

30

31

32

33

34

35