

1 State of Arkansas
2 82nd General Assembly
3 Regular Session, 1999

A Bill

SENATE BILL 338

4
5 By: Senator Bradford
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For An Act To Be Entitled

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9 "AN ACT TO ALLOW AN EARNED INCOME CREDIT AGAINST
10 ARKANSAS INCOME TAX LIABILITY FOR CERTAIN LOW-INCOME
11 INDIVIDUALS; AND FOR OTHER PURPOSES. "

Subtitle

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14 "TO ALLOW AN EARNED INCOME CREDIT AGAINST
15 ARKANSAS INCOME TAX LIABILITY FOR
16 CERTAIN LOW-INCOME INDIVIDUALS. "

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

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21 SECTION 1. (a) A credit shall be allowed to certain individuals
22 against the income tax imposed by the Arkansas Income Tax Act, beginning at
23 26-51-101, for a portion of their earned income in the manner prescribed by
24 subsection (b) of this section.

25 (b)(1) Section 32 of the Internal Revenue Code of 1986, as amended and
26 in effect on January 1, 1999, is adopted for purposes of determining the
27 allowable credit.

28 (2) The amount of credit shall be equal to five percent (5%) of
29 the federal credit allowable.

30 (3) If the amount of the credit exceeds the taxpayer's income tax
31 liability, the excess shall be paid to the taxpayer as a cash refund.

32 (4) Each year the Department of Finance and Administration shall
33 notify all taxpayers of their potential eligibility for the credit.

34 (5) Prior to January 31 of each year, the Department of Human
35 Services shall notify Temporary Employment Assistance recipients, AR Kids
36 First recipients, state-subsidized child care recipients, and food stamp

1 recipients who received assistance in the previous taxable year of their
2 potential eligibility for the credit.

3 (6) Prior to January 31 of each year, the Arkansas Employment
4 Security Department shall notify all unemployment insurance compensation
5 recipients who received compensation in the previous taxable year of their
6 potential eligibility for the credit.

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8 SECTION 2. The provisions of this act shall be effective for taxable
9 years beginning on and after January 1, 1999.

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

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15 SECTION 4. If any provision of this act or the application thereof to
16 any person or circumstance is held invalid, such invalidity shall not affect
17 other provisions or applications of the act which can be given effect without
18 the invalid provision or application, and to this end the provisions of this
19 act are declared to be severable.

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

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