

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas  
2 86th General Assembly  
3 Regular Session, 2007

# A Bill

SENATE BILL 84

4  
5 By: Senator Altes  
6 By: Representatives Medley, Norton

## For An Act To Be Entitled

10 AN ACT TO ESTABLISH AN INCOME TAX CREDIT FOR THE  
11 EDUCATION EXPENSES OF DEPENDENTS; AND FOR OTHER  
12 PURPOSES.

### Subtitle

15 TO ESTABLISH AN INCOME TAX CREDIT FOR  
16 EDUCATION EXPENSES OF DEPENDENTS.

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

21 SECTION 1. Arkansas Code Title 26, Chapter 51, Subchapter 5 is amended  
22 to add a new section to read as follows:

23 26-51-513. Dependent education expense credit.

24 (a) As used in this section, "dependent" means the same as defined in §  
25 152 of the Internal Revenue Code of 1986, as in effect on January 1, 2007.

26 (b) If a taxpayer has one (1) or more dependents who are full-time  
27 pupils enrolled in a kindergarten through grade twelve (K-12) education  
28 program at any school, the taxpayer shall be allowed a credit against the tax  
29 imposed by the Income Tax Act of 1929, § 26-51-101 et seq. with the credit  
30 being calculated in accordance with subsection (c) of this section.

31 (c) If the taxpayer's expenses for tuition, book fees, and lab fees  
32 required by the dependent's school during the tax year are:

33 (1) Less than three hundred dollars (\$300), there will be no  
34 credit allowed; or

35 (2) Three hundred dollars (\$300) or more, the amount of the  
36 credit shall be equal to twenty-five percent (25%) of the amount paid for



1 tuition, book fees, and lab fees by the taxpayer for the dependent.

2 (d)(1) The amount of the credit that may be used by the taxpayer shall  
3 not exceed the amount of individual income tax liability.

4 (2) Any unused credit may be carried forward for a maximum of  
5 two (2) consecutive tax years.

6 (e) The Director of the Department of Finance and Administration shall  
7 promulgate rules administering this section, including without limitation the  
8 filing of documentation verifying that the dependent or dependents are in a  
9 qualifying school.

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11 SECTION 2. This act applies to tax years beginning on or after January  
12 1, 2007.