

1 State of Arkansas  
2 90th General Assembly  
3 Regular Session, 2015

# A Bill

SENATE BILL 834

4  
5 By: Senator Elliott

## For An Act To Be Entitled

8 AN ACT TO CREATE AN INCOME TAX EXEMPTION FOR CERTAIN  
9 AWARDS, GRANTS, AND SCHOLARSHIPS AWARDED BY A  
10 NONPROFIT VOLUNTEER SERVICE ORGANIZATION; AND FOR  
11 OTHER PURPOSES.

## Subtitle

15 TO CREATE AN INCOME TAX EXEMPTION FOR  
16 CERTAIN AWARDS, GRANTS, AND SCHOLARSHIPS  
17 AWARDED BY A NONPROFIT VOLUNTEER SERVICE  
18 ORGANIZATION.

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

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23 SECTION 1. Arkansas Code Title 26, Chapter 51, Subchapter 3, is  
24 amended to add an additional section to read as follows:

25 26-51-314. Certain awards, grants, and scholarships.

26 (a) As used in this section, "nonprofit volunteer service  
27 organization" means a governmental entity that provides volunteer service  
28 opportunities as a primary part of its responsibilities, including without  
29 limitation the following:

30 (1) The Corporation for National and Community Services and any  
31 program under the authority of the Corporation for National and Community  
32 Services;

33 (2) The Arkansas Service Commission; and

34 (3) Any entity that is similar to the Arkansas Service  
35 Commission and is located in another state.

36 (b) There is allowed an exemption from the income tax imposed by the



1 Income Tax Act of 1929, § 26-51-101 et seq., for an award, grant, or  
2 scholarship received by a resident from a nonprofit volunteer service  
3 organization or a program under the authority of a nonprofit volunteer  
4 service organization to:

5 (1) Attend an institution of higher education that:

6 (A) Is accredited by a nationally recognized accrediting  
7 agency; and

8 (B) Has been in existence for at least two (2) years;

9 (2) Pay for educational training at an institution that:

10 (A) Provides at least a six-month program of training to  
11 prepare students for employment in a recognized occupation;

12 (B) Is licensed by the Arkansas State Board of Private  
13 Career Education or a similar agency if the institution is located in another  
14 state; and

15 (C) Has been in existence for at least two (2) years; or

16 (3) Repay student loans.

17 (c) The Director of the Department of Finance and Administration may  
18 promulgate rules to implement this section.

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20 SECTION 2. EFFECTIVE DATE. This act is effective for tax years  
21 beginning on or after January 1, 2015.