

1 State of Arkansas
2 93rd General Assembly
3 Regular Session, 2021
4

A Bill

HOUSE BILL 1867

5 By: Representative Haak
6

For An Act To Be Entitled

8 AN ACT TO AMEND THE LAW GOVERNING THE EARNED INCOME
9 CHILD CARE TAX CREDIT; TO CREATE A TEMPORARY TAX
10 CREDIT FOR ALL CHILD CARE EXPENSES CAUSED BY THE
11 EMERGENCY DECLARATIONS ASSOCIATED WITH CORONAVIRUS-
12 2019 (COVID-19); TO DECLARE AN EMERGENCY; AND FOR
13 OTHER PURPOSES.
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Subtitle

16 TO CREATE A TEMPORARY TAX CREDIT FOR ALL
17 CHILD CARE EXPENSES CAUSED BY THE
18 EMERGENCY DECLARATIONS ASSOCIATED WITH
19 CORONAVIRUS-2019 (COVID-19).
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23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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25 SECTION 1. DO NOT CODIFY. TEMPORARY LANGUAGE.

26 (a) As used in this section, "coronavirus-related childcare expenses"
27 means an expense paid to any person or childcare business:

28 (1) For a child with respect to whom the taxpayer is entitled to
29 a credit under § 26-51-501(a)(3);

30 (2) That was necessary due to closures caused by the Governor's
31 declaration of an emergency under the Arkansas Emergency Services Act of
32 1973, § 12-75-101 et seq., or § 20-7-110 in response to the outbreak of
33 coronavirus-2019 (COVID-19); and

34 (3) That made it more practicable for the taxpayer to carry out
35 responsibilities associated with his or her employment.

36 (b)(1) A credit shall be allowed to individuals against the income tax



1 imposed by the Income Tax Act of 1929, § 26-51-101 et seq., for the
2 taxpayer's coronavirus-related childcare expenses in the amount stated under
3 subdivision (b)(2) of this section.

4 (2)(A) For a taxpayer filing individually or head of household
5 with an adjusted gross income of seventy-five thousand dollars (\$75,000) or
6 less, the individual may receive a tax credit under this section of one
7 hundred percent (100%) of his or her coronavirus-related childcare expenses.

8 (B) For taxpayers filing as married-filing-jointly with an
9 adjusted gross income of one hundred fifty thousand dollars (\$150,000), the
10 taxpayers may receive a tax credit under this section of one hundred percent
11 (100%) of their coronavirus-related childcare expenses.

12 (3) A taxpayer under subdivision (b)(2) of this section may
13 claim a tax credit on his or her 2022 tax return for coronavirus-related
14 childcare expenses incurred in 2020 or 2021.

15 (4) The amount of the income tax credit under this section that
16 may be claimed by the taxpayer in a tax year shall not exceed the amount of
17 income tax due by the taxpayer.

18 (5) A taxpayer shall not claim the tax credit under this section
19 and the tax credit available under § 26-51-502 for expenses associated with
20 the same child.

21 (c) The Secretary of the Department of Finance and Administration may
22 promulgate rules to implement this act.

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24 SECTION 2. EFFECTIVE DATE. Section 1 of this act is effective for tax
25 years beginning on or after January 1, 2020 and will expire on December 31,
26 2022.

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28 SECTION 3. EMERGENCY CLAUSE. It is found and determined by the
29 General Assembly of the State of Arkansas that coronavirus-2019 (COVID-19)
30 caused numerous schools, preschools, and daycares to temporarily close,
31 causing many parents to make alternative childcare arrangements; that the
32 Governor's emergency declaration and related orders in connection with the
33 coronavirus-2019 (COVID-19) pandemic caused some workplaces to temporarily
34 close or forced some employees to work remotely from home; that some
35 businesses laid off employees entirely; and that this act is immediately
36 necessary to remedy the financial burdens on Arkansans caused by the

1 combination of the need for alternative childcare arrangements and the
 2 foregoing workplace and employment disruptions. Therefore, an emergency is
 3 declared to exist, and this act being immediately necessary for the
 4 preservation of the public peace, health, and safety shall become effective
 5 on:

6 (1) The date of its approval by the Governor;

7 (2) If the bill is neither approved nor vetoed by the Governor,
 8 the expiration of the period of time during which the Governor may veto the
 9 bill; or

10 (3) If the bill is vetoed by the Governor and the veto is
 11 overridden, the date the last house overrides the veto.

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