

1 State of Arkansas
2 94th General Assembly
3 Regular Session, 2023
4

As Engrossed: H1/25/23

A Bill

HOUSE BILL 1158

5 By: Representatives J. Mayberry, *Haak*
6 By: Senators Irvin, *J. English*
7

For An Act To Be Entitled

9 AN ACT TO CREATE THE EARLY CHILDHOOD EDUCATION
10 WORKFORCE QUALITY INCENTIVE ACT; TO CREATE AN INCOME
11 TAX CREDIT FOR CERTAIN EARLY CHILDHOOD EDUCATION
12 WORKERS; TO CREATE AN INCOME TAX CREDIT FOR ELIGIBLE
13 BUSINESS CHILDCARE EXPENSES; AND FOR OTHER PURPOSES.
14
15

Subtitle

16 TO CREATE THE EARLY CHILDHOOD EDUCATION
17 WORKFORCE QUALITY INCENTIVE ACT; AND TO
18 CREATE INCOME TAX CREDITS FOR CERTAIN
19 EARLY CHILDHOOD EDUCATION WORKERS AND FOR
20 ELIGIBLE BUSINESS CHILDCARE EXPENSES.
21
22
23

24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
25

26 SECTION 1. DO NOT CODIFY. Title.

27 This act shall be known and may be cited as the "Early Childhood
28 Education Workforce Quality Incentive Act".
29

30 SECTION 2. Arkansas Code Title 26, Chapter 51, Subchapter 5, is
31 amended to add additional sections to read as follows:

32 26-51-517. Early childhood education workforce quality incentive
33 credit.

34 (a) There is allowed an early childhood education workforce quality
35 incentive credit against the income tax imposed by this chapter in the amount
36 provided under subsection (b) of this section for qualifying early childhood



1 education program directors, teachers, and instructional staff who:

2 (1) Are employed in an early childhood education program that
3 meets the requirements of the Better Beginnings quality rating system of the
4 Department of Human Services, or its successor; and

5 (2) Earn less than the state's minimum salary for kindergarten
6 through grade twelve (K-12) public school teachers, as provided in § 6-17-
7 2403.

8 (b) The income tax credit allowed under this section is allowed in the
9 following amounts:

10 (1) For a taxpayer who has a Child Development Associate
11 credential from a program approved by the department, one thousand eight
12 hundred dollars (\$1,800);

13 (2) For a taxpayer who has an Arkansas Children's Program
14 Administrator Credential recognized by the National Association for the
15 Education of Young Children, one thousand eight hundred dollars (\$1,800);

16 (3) For a taxpayer who has an associate degree in early
17 childhood education or a related field, two thousand four hundred dollars
18 (\$2,400); and

19 (4) For a taxpayer who has a bachelor's degree or higher in
20 early childhood education or a related field, three thousand dollars
21 (\$3,000).

22 (c) If the amount of the income tax credit allowed under this section
23 exceeds the taxpayer's income tax liability, the excess shall be refunded to
24 the taxpayer.

25 (d) To claim the income tax credit allowed under this section, the
26 taxpayer shall file with his or her individual income tax return an
27 attestation form provided by the Arkansas Professional Development Registry
28 of the Department of Human Services, or its successor, verifying that the
29 taxpayer meets the requirements for the income tax credit allowed under this
30 section.

31
32 26-51-518. Business childcare expenditures.

33 (a) As used in this section:

34 (1) "Eligible business childcare expenses" means the total of
35 the following expenses a business incurs, not to exceed fifty thousand
36 dollars (\$50,000), to provide child care for its employees:

1 (A) Expenses to construct, renovate, expand, or make major
2 repairs to an eligible childcare facility;

3 (B) Expenses for the purchase of equipment for an eligible
4 childcare facility;

5 (C) Expenses to maintain and operate an eligible childcare
6 facility;

7 (D) Payments made to an eligible childcare facility for
8 childcare services to support employees; and

9 (E) Expenses for the purchase of childcare slots at
10 eligible childcare facilities actually provided or reserved for children of
11 employees; and

12 (2) "Eligible childcare facilities" means a childcare facility
13 that has received a quality rating of at least level two (2) by the Division
14 of Child Care and Early Childhood Education of the Department Human Services.

15 (b)(1) A taxpayer that incurs eligible business childcare expenses is
16 allowed an income tax credit against the income tax imposed by this chapter
17 in the amount determined under subsection (c) of this section.

18 (2) If the amount of the income tax credit allowed under this
19 section exceeds the taxpayer's income tax liability, the excess shall be
20 refunded to the taxpayer.

21 (c)(1) The amount of the tax credit allowed a taxpayer under
22 subsection (b) of this section during a given tax year depends on the level
23 of the quality rating that the eligible childcare facility received from the
24 division during that tax year.

25 (2) If the eligible childcare facility received a rating of:

26 (A) Level six (6), then the taxpayer is allowed a credit
27 of up to twenty-five percent (25%) of the eligible business childcare
28 expenses;

29 (B) Level five (5), then the taxpayer is allowed a credit
30 of up to twenty percent (20%) of the eligible business childcare expenses;

31 (C) Level four (4), then the taxpayer is allowed a credit
32 of up to fifteen percent (15%) of the eligible business childcare expenses;

33 (D) Level three (3), then the taxpayer is allowed a credit
34 of up to ten percent (10%) of the eligible business childcare expenses; and

35 (E) Level two (2), then the taxpayer is allowed a credit
36 of up to five percent (5%) of the eligible business childcare expenses.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36

SECTION 3. EFFECTIVE DATE. Section 2 of this act is effective for tax years beginning on or after January 1, 2023.

/s/J. Mayberry