

**KoonK**  
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REVIEWED  
By Kevin Koon at 2:34 pm, Mar 16, 2023

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

# A Bill

SENATE BILL 352

5 By: Senator Irvin  
6 By: Representatives J. Mayberry, Lundstrum  
7

## For An Act To Be Entitled

9 AN ACT TO CREATE INCOME TAX INCENTIVES FOR EMPLOYER-  
10 BASED DEPENDENT CARE ASSISTANCE; TO CREATE AN INCOME  
11 TAX CREDIT FOR EMPLOYER PAYMENTS RELATED TO DEPENDENT  
12 CARE ASSISTANCE; AND FOR OTHER PURPOSES.  
13  
14

## Subtitle

15 TO CREATE INCOME TAX INCENTIVES FOR  
16 EMPLOYER-BASED DEPENDENT CARE ASSISTANCE;  
17 AND TO CREATE AN INCOME TAX CREDIT FOR  
18 EMPLOYER PAYMENTS RELATED TO DEPENDENT  
19 CARE ASSISTANCE.  
20

RUSH  
3:30 TODAY

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22  
23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF ARKANSAS:  
24

25 SECTION 1. Arkansas Code Title 26, Chapter 51, Subchapter 5, is  
26 amended to add an additional section to read as follows:

27 26-51-517. Credit for employer payments related to dependent care  
28 assistance.

29 (a) There is allowed an income tax credit against the income tax  
30 imposed by this chapter in the amount equal to fifty percent (50%) of the  
31 amount that is excluded from the taxpayer's income under 26 U.S.C. § 129, as  
32 it existed on January 1, 2023, as amounts paid or incurred by the taxpayer  
33 for dependent care assistance provided to an employee of the taxpayer.

34 (b)(1)(A) Except as provided in subdivision (b)(2) of this section,  
35 the amount of the income tax credit under this section that may be claimed by  
36 the taxpayer in a tax year shall not exceed the amount of income tax due by



1 the taxpayer.

2 (B) Any unused income tax credit under this section may be  
3 carried forward for five (5) consecutive tax years following the tax year in  
4 which the income tax credit was earned.

5 (2) If the amount of the income tax credit allowed under this  
6 section exceeds the taxpayer's income tax liability and the taxpayer is a  
7 charitable organization that qualifies as an exempt organization under 26  
8 U.S.C. § 501(c)(3), as it existed on January 1, 2023, the excess shall be  
9 refunded to the taxpayer.

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