

1 State of Arkansas
2 95th General Assembly
3 Regular Session, 2025
4

A Bill

SENATE BILL 423

5 By: Senators J. Scott, Crowell
6 By: Representative Ennett
7

For An Act To Be Entitled

8
9 AN ACT TO EXEMPT FROM THE INDIVIDUAL INCOME TAX
10 EDUCATION SCHOLARSHIPS, AWARDS, AND GRANTS FROM
11 NONPROFIT VOLUNTEER SERVICE ORGANIZATIONS; AND FOR
12 OTHER PURPOSES.
13

Subtitle

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15
16 TO EXEMPT FROM THE INDIVIDUAL INCOME TAX
17 EDUCATION SCHOLARSHIPS, AWARDS, AND
18 GRANTS FROM NONPROFIT VOLUNTEER SERVICE
19 ORGANIZATIONS.
20

21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
22

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

25 26-51-317. Nonprofit volunteer service organization education award.

26 There is allowed an exemption from the individual income tax imposed by
27 this chapter for an education scholarship, award, or grant received by a
28 resident and awarded by a nonprofit volunteer service organization to:

29 (1) Pay for the taxpayer's attendance at an institution of
30 higher education;

31 (2) Pay for the taxpayer's educational or vocational training;
32 or

33 (3) Repay a taxpayer's student loan.
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35 SECTION 2. EFFECTIVE DATE. Section 1 of this act is effective for tax
36 years beginning on or after January 1, 2025.

