



**State of Arkansas
Department of Finance and Administration
Fiscal Impact Statement**

Bill: SB412

Bill Subtitle: TO AUTHORIZE THE DEPARTMENT OF FINANCE AND ADMINISTRATION TO SET THE PER-MILE AMOUNT FOR THE INCOME TAX DEDUCTION FOR TRAVEL AND TRANSPORTATION EXPENSES BY PROCLAMATION.

Sponsors:

Sen. Boyd and Rep. McClure

Basic Change:

SB412 authorizes the Secretary of the Department of Finance and Administration (DFA) to set the per-mile deduction for travel and transportation expenses by proclamation.

Under current law, a taxpayer can deduct from his or her taxable income certain travel and transportation expenses in the form of a per-mile deduction. DFA is authorized to set the value of the per-mile deduction for travel and transportation expenses by promulgating a rule. SB412 allows the Secretary of DFA to set the value of the per-mile deduction (up to \$1.00 per mile) by proclamation and without the need for promulgating a rule.

The IRS sets the amount of the per-mile deduction for federal income tax purposes. SB412 requires the Secretary to set the amount of the state deduction as close to the federal deduction as is fiscally responsible without causing undue hardship on taxpayers. The Secretary must issue a proclamation setting the amount of the per-mile deduction for travel and transportation expenses within 30 days of a change by the IRS.

Fiscal Impact:

None.

Taxpayer Impact:

Taxpayers will benefit from the timely issuance of the adoption of federal mileage deduction rates by DFA to ensure they receive the same benefit for state purposes as they do for federal income tax purposes.

Resources Required:

Computer programs, tax forms, and instructions will need to be updated.

Time Required:

Adequate time is provided for implementation.

Procedural Changes:

Department employees will need to be educated as well as the tax community.



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Other Comments:

None.

Legal Analysis:

None.