

State of Arkansas

77th General Assembly

Regular Session, 1989

A Bill

HOUSE BILL

1713

By: Representatives Flanagan and Hutchinson

For An Act To Be Entitled

"AN ACT TO AMEND ARKANSAS TITLE 26, CHAPTER 51, SUBCHAPTER 5  
TO ALLOW A TAX CREDIT FOR ARKANSAS INCOME TAX PURPOSES  
RELATING TO EXPENSES IN ATTENDING A COLLEGE OR UNIVERSITY;  
AND FOR OTHER PURPOSES."

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

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

"26-51-506. (a) There shall be allowed a credit against the Arkansas income tax imposed by this chapter an income tax credit for a portion of the expenses of a taxpayer, or of a dependent of the taxpayer, in attending any college or university. Expenses qualifying for the tax credit shall be: tuition, fees and books.

(b) The tax credit allowed per person enrolled in a college or university shall be twenty-five percent (25%) of an amount equal to the expenses incurred during the income year, less the amount of any grant or scholarship received by the person. The tax credit shall be subject to the following limitations:

(1) For a student who successfully completes the equivalent of at least thirty (30) semester hours during an income year, the credit for the income year shall not exceed five hundred dollars (\$500);

(2) For a student who does not meet the requirements in subdivision (1), but who successfully completes the equivalent of at least fifteen (15) semester hours within a six (6) month period during the income year, the credit shall not exceed two hundred fifty dollars (\$250) for the income year; and

(3) No tax credit shall be allowed for a student who fails to meet the requirements of subdivision (1) or (2).

(c) The tax credit allowed under this section may be claimed in a maximum of five (5) years per student. The total credits allowed per student under this section shall not exceed two thousand dollars (\$2,000).

(d) The provisions of this section shall apply to income years beginning on or after January 1, 1989."

SECTION 2. All provisions of this Act of a general and permanent nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code Revision Commission shall incorporate the same in the Code.

SECTION 3. All laws and parts of laws in conflict with this Act are hereby repealed.