

1 State of Arkansas
2 82nd General Assembly
3 Regular Session, 1999

A Bill

HOUSE BILL 2266

4
5 By: Representatives Ferrell, Gullett, Jones
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For An Act To Be Entitled

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9 "AN ACT TO ADOPT IRC § 530 PERTAINING TO EDUCATIONAL
10 IRA ACCOUNTS; TO INCREASE THE DEPENDENT CARE INCOME
11 TAX CREDIT TO ONE HUNDRED PERCENT (100%) OF THE
12 FEDERAL CREDIT; TO PROVIDE PROPERTY TAX RELIEF TO
13 SENIOR TAXPAYERS WITH ANNUAL HOUSEHOLD INCOMES OF NOT
14 MORE THAN 125% OF POVERTY LEVEL; AND FOR OTHER
15 PURPOSES. "

Subtitle

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18 "TO ADOPT THE FEDERAL LAW RELATING TO
19 EDUCATIONAL IRA ACCOUNTS; TO INCREASE
20 THE DEPENDENT CARE TAX CREDIT; TO
21 PROVIDE PROPERTY TAX RELIEF TO SENIOR
22 TAXPAYERS. "

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25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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27 SECTION 1. Title 26, Chapter 51, Subchapter 4 is hereby amended to add
28 the following new section to the end thereof to be appropriately numbered by
29 the Arkansas Code Revision Commission:

30 "Section 530 of the federal Internal Revenue Code of 1986, as in effect
31 on January 1, 1999, relating to educational individual retirement accounts, is
32 adopted for the purposes of computing Arkansas income tax liability. Any
33 additional tax or penalty imposed by this section shall be ten percent (10%)
34 of the amount of any additional tax or penalty provided in the federal income
35 tax law adopted by this section."
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1 SECTION 2. Arkansas Code 26-51-502(b) pertaining to an income tax
 2 credit for household and dependent care services is amended to read as
 3 follows:

4 "(b)(1) Section 21 of the Internal Revenue Code of 1986, as amended and
 5 in effect on January 1, 1997, is adopted for purposes of determining the
 6 allowable credit under the Arkansas Income Tax Act, as amended, § 26-51-101 et
 7 seq., for household and dependent care services necessary for gainful
 8 employment.

9 (2) The amount of credit shall be ~~twenty percent (20%)~~ one
 10 hundred percent (100%) of the federal credit allowable."

11
 12 SECTION 3. (a) As used in this section:

13 (1) "Claimant" means a person who has filed a claim for cash
 14 assistance under this section;

15 (2) "Department" means the Department of Finance and
 16 Administration;

17 (3) "Director" means the Director of the Department of Finance
 18 and Administration;

19 (4) "Homestead" means a dwelling owned by a claimant and used as
 20 his principal place of abode, including the parcel of land on which the
 21 dwelling is situated and all lands contiguous thereto, or a dwelling owned by
 22 a revocable trust and used as the principal place of abode of persons who
 23 formed the trust and otherwise qualify as a claimant, including the parcel of
 24 land on which the dwelling is situated and all lands contiguous thereto.
 25 However, no homestead shall exceed 20 acres in size, and no dwelling and the
 26 lands on which it is located shall be considered a homestead unless the
 27 claimant has resided there for at least one (1) year immediately preceding the
 28 filing of a claim under this section. Further, a mobile home which is affixed
 29 to the realty and is taxed as real property may qualify as a homestead; and

30 (5) "Household" means a claimant or a claimant and the claimant's
 31 spouse;

32 (6) "Household income" means the combined income received by
 33 members of a household during a calendar year;

34 (7) "Income" means gross income as defined in the Arkansas Income
 35 Tax Act, as amended, less deductions allowed under Arkansas Code § 26-51-
 36 423(a)(1);

1 (8) "Property taxes" means all ad valorem taxes exclusive of
2 special assessments and delinquent charges, levied and paid on a claimant's
3 homestead during any particular year involved.

4 (b) Any person who is a resident of this state, who owns and has
5 resided in a homestead in this state for a period of one (1) year or more, who
6 is at least sixty-five (65) years of age, and who has household income in an
7 amount not to exceed one hundred twenty-five percent (125%) of the poverty
8 level prescribed by the department, may file a claim under this section for a
9 cash payment from the department equal to the amount of property taxes paid
10 upon the homestead of the claimant.

11 (c)(1) Any person desiring to file a claim for a cash payment under
12 this section shall file the claim with the department on forms prescribed by
13 the department and shall furnish such information to substantiate the claim as
14 is required by this section, or as may be prescribed by regulation of the
15 department.

16 (2) Claims under this section shall be filed on or before August
17 15 of the year next following the year in which the property taxes were paid.
18 However, if failure of the claimant to file the claim within the time
19 prescribed herein is due to serious illness of the claimant or to some other
20 matter beyond the control of the claimant, the director may permit the filing
21 of the claim at any time within four (4) months after the deadline.

22 (3) Only one (1) member of a household may make a claim under
23 this section for any particular year.

24 (4) Every person filing a claim under this section shall include
25 information showing the names of members of the claimant's household, the
26 amount of the household income, the address or location of the homestead of
27 the claimant, a statement of the amount of property taxes paid on the
28 homestead during the income year, a statement that there are no delinquent
29 property taxes on the homestead, and such other information as may be required
30 by the department to assure that the claimant is eligible for, and entitled
31 to, benefits under this section.

32 (5) All claims filed under this section shall be made upon forms
33 prescribed and furnished by the department and all forms shall include
34 appropriate instructions to claimants for filing a claim. Each county
35 collector shall include a claim form with the annual property tax bill mailed
36 to each eligible taxpayer.

1 (d)(1) The right to file a claim under the provisions of this section
2 shall be personal to the claimant or another member of the household and shall
3 not survive the death of the members of the household.

4 (2) If a claimant dies after having filed a timely claim, the
5 amount thereof may be disbursed only to the claimant's surviving spouse.

6 (e)(1) The department shall either approve or deny every claim filed
7 hereunder, either in the amount claimed or in an amount determined by the
8 department, within ninety (90) calendar days after the date the claims are
9 filed.

10 (2) If the department denies a claim or reduces the amount
11 claimed, it shall so notify the claimant and the claimant may request a
12 reconsideration of the claim by the department by filing a written request for
13 reconsideration at any time within thirty (30) calendar days after receipt of
14 the notice of the decision of the department.

15 (3) Upon receipt of the request for reconsideration of a claim,
16 the department shall reconsider the claim and notify the claimant of its final
17 decision within thirty (30) calendar days after the receipt of the request.

18 (4) If the claimant is dissatisfied with the final ruling of the
19 department regarding his claim, he may appeal the decision to the Pulaski
20 County Chancery Court or the chancery court of the county in which he resides
21 in the manner and within the time prescribed for appeals from other
22 administrative decisions of the director.

23 (f) The relief provided by this section shall be paid to the claimant
24 as a cash payment. However, no interest shall be allowed on any payment made
25 to a claimant under this section.

26 (g) The department shall promulgate regulations to implement this
27 section including establishing the poverty level for household income at a
28 level no less than the federal poverty level."

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30 SECTION 4. All provisions of this act of a general and permanent nature
31 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code
32 Revision Commission shall incorporate the same in the Code.

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34 SECTION 5. If any provision of this act or the application thereof to
35 any person or circumstance is held invalid, such invalidity shall not affect
36 other provisions or applications of the act which can be given effect without

1 the invalid provision or application, and to this end the provisions of this
2 act are declared to be severable.

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4 SECTION 6. All laws and parts of laws in conflict with this act are
5 hereby repealed.

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