

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

# A Bill

HOUSE BILL 1018

5 By: Representative A. Collins  
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## For An Act To Be Entitled

9 AN ACT TO CREATE THE STRONG FAMILIES ACT; TO CREATE  
10 AN INCOME TAX CREDIT FOR EMPLOYERS THAT PROVIDE PAID  
11 FAMILY AND MEDICAL LEAVE FOR CERTAIN EMPLOYEES; AND  
12 FOR OTHER PURPOSES.  
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## Subtitle

15 TO CREATE THE STRONG FAMILIES ACT; AND  
16 TO CREATE AN INCOME TAX CREDIT FOR  
17 EMPLOYERS THAT PROVIDE PAID FAMILY AND  
18 MEDICAL LEAVE FOR CERTAIN EMPLOYEES.  
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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23 SECTION 1. Arkansas Code Title 26, Chapter 51, is amended to add an  
24 additional subchapter to read as follows:

25 Subchapter 29 – Strong Families Act  
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27 26-51-2901. Title.

28 This subchapter shall be known and may be cited as the “Strong Families  
29 Act”.  
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31 26-51-2902. Definitions.

32 As used in this subchapter:

33 (1)(A) “Family and medical leave” means leave from work for:

34 (i) A serious health condition of the employee that  
35 prevents the employee from performing his or her essential job duties;

36 (ii) The birth or adoption of a child of the



1 employee; or

2 (iii) The care of a child, spouse, or parent of the  
 3 employee who has a serious health condition.

4 (B) "Family and medical leave" does not include:

5 (i) Earned sick leave;

6 (ii) Earned annual leave; or

7 (iii) Earned compensatory leave;

8 (2) "Qualified employee" means an employee who has been employed  
 9 by the employer for at least twelve (12) consecutive months;

10 (3) "Serious health condition" means an illness, injury,  
 11 impairment, or physical or mental condition that involves:

12 (A) Inpatient care in a hospital, hospice, or residential  
 13 medical care facility; or

14 (B) Continuing treatment by a healthcare provider; and

15 (4) "Wages" means remuneration paid for personal services.

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17 26-51-2903. Strong families tax credit.

18 (a)(1)(A) An employer is allowed an income tax credit against the  
 19 income tax imposed by this chapter in an amount equal to twenty-five percent  
 20 (25%) of the amount of wages paid to a qualified employee during the period  
 21 in which the qualified employee is on family and medical leave.

22 (B) If a qualified employee is not paid on an hourly  
 23 basis, the wages of the qualified employee shall be prorated to an hourly  
 24 basis.

25 (2) The income tax credit allowed under this section shall not  
 26 exceed four thousand dollars (\$4,000) per qualified employee in a tax year.

27 (b) An employer is eligible for the income tax credit allowed under  
 28 this section if the employer:

29 (1) Provides full-time qualified employees with at least four  
 30 (4) weeks of paid family and medical leave over a twelve-month period;

31 (2) Provides part-time qualified employees with an amount of  
 32 paid family and medical leave that bears the same ratio to four (4) weeks of  
 33 family and medical leave as the number of hours the part-time qualified  
 34 employee is expected to work in a week bears to the number of hours an  
 35 equivalent full-time qualified employee is expected to work during a week;

36 (3) Provides family and medical leave on the smallest increment

1 of time permitted under the employer's payroll system; and

2 (4) Adopts a policy regarding family and medical leave that  
 3 states that the employer will not:

4 (A) Interfere with, restrain, or deny the exercise of or  
 5 the attempt to exercise a right provided under the employer's family and  
 6 medical leave policy; or

7 (B) Discharge or in any other manner discriminate against  
 8 an employee for opposing a practice prohibited by the policy.

9 (c) The maximum amount of time for which an employer may claim an  
 10 income tax credit under this section for providing family and medical leave  
 11 for a qualified employee is twelve (12) weeks in a twelve-month period.

12 (d) Family and medical leave may run concurrently with leave that is  
 13 required under state or federal law, including without limitation the Family  
 14 and Medical Leave Act of 1993, 29 U.S.C. § 2601 et seq.

15 (e) The amount of the income tax credit allowed under this section  
 16 that may be claimed by the taxpayer in a tax year shall not exceed the amount  
 17 of income tax due by the taxpayer.

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 19 SECTION 2. EFFECTIVE DATE. Section 1 of this act is effective for tax  
 20 years beginning on or after January 1, 2025.

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