

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

A Bill

HOUSE BILL 1026

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

8 AN ACT TO CREATE THE ARKANSAS PROMISE ACT; TO AMEND
9 THE INDIVIDUAL INCOME TAX LAWS; TO CREATE AN INCOME
10 TAX CREDIT FOR TUITION FOR AN ELIGIBLE STUDENT AT A
11 PUBLIC INSTITUTION OF HIGHER EDUCATION; AND FOR OTHER
12 PURPOSES.
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Subtitle

15 TO CREATE THE ARKANSAS PROMISE ACT; AND
16 TO CREATE AN INCOME TAX CREDIT FOR
17 TUITION PAID FOR AN ELIGIBLE STUDENT AT
18 A PUBLIC INSTITUTION OF HIGHER
19 EDUCATION.
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23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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25 SECTION 1. Arkansas Code Title 26, Chapter 51, Subchapter 5, is
26 amended to add an additional section to read as follows:

27 26-51-518. Arkansas Promise Act – Higher education tuition income tax
28 credit – Definition.

29 (a) This section shall be known and may be cited as the "Arkansas
30 Promise Act".

31 (b) As used in this section, "tuition" means charges levied for
32 attendance at a public two-year or four-year institution of higher education.

33 (c) There is allowed an income tax credit against the income tax
34 imposed by this chapter in the amount paid by a taxpayer as tuition for the
35 taxpayer or the taxpayer's dependent not including tuition paid through any
36 scholarship or grant, subject to the limitations of subsection (d) of this



1 section.

2 (d) To claim the income tax credit allowed by this section, the
3 taxpayer must have paid tuition for a student that:

4 (1) Is a resident with an in-state tuition classification;

5 (2)(A) Has completed the Free Application for Federal Student
6 Aid (FAFSA) or a subsequent application required by the United States
7 Department of Education for federal financial aid for the semester or term
8 for which the income tax credit is claimed.

9 (B) The income tax credit allowed by this section shall
10 only be claimed if the application under subdivision (d)(2)(A) reflects an
11 adjusted gross income, as defined in 20 U.S.C. § 1070a, of up to ninety
12 thousand dollars (\$90,000);

13 (3) Is classified as degree- or credential-seeking pursuing a
14 certificate, associate degree, or bachelor's degree;

15 (4) Initially enrolled in the public two-year or four-year
16 institution of higher education for which the income tax credit is claimed
17 within two (2) years of graduating from high school or obtaining a high
18 school equivalency diploma;

19 (5) Has accumulated fewer than sixty-five (65) credit hours
20 prior to the first semester attended at the public two-year or four-year
21 institution of higher education for which the income tax credit is claimed;

22 (6) Has completed at least six (6) credit hours at the end of
23 each semester for which the income tax credit is claimed; and

24 (7) Has maintained a grade point average of at least 2.5 on a
25 4.0 scale for each semester for which the tax credit is claimed;

26 (e) The income tax credit allowed by this section may be claimed for
27 no more than four (4) consecutive academic semesters.

28 (f) If the amount of the income tax credit allowed under this section
29 exceeds the taxpayer's income tax liability, the excess shall be refunded to
30 the taxpayer.

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