

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

A Bill

HOUSE BILL 1366

5 By: Representatives Ennett, Hudson
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For An Act To Be Entitled

9 AN ACT TO CREATE AN INCOME TAX CREDIT FOR QUALIFIED
10 STORM SHELTERS; AND FOR OTHER PURPOSES.
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Subtitle

13 TO CREATE AN INCOME TAX CREDIT FOR
14 QUALIFIED STORM SHELTERS.
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17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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19 SECTION 1. Arkansas Code Title 26, Chapter 51, Subchapter 5, is
20 amended to add an additional section to read as follows:

21 26-51-518. Qualified storm shelter.

22 (a) As used in this section:

23 (1) "Primary residence" means a single-family residence that is
24 the full-time legal residence of a taxpayer and is used for purposes of the
25 taxpayer's income tax calculation under this chapter;

26 (2) "Qualified storm shelter" means a storm shelter or safe room
27 that:

28 (A) Has a design that is capable of withstanding a tornado
29 that is rated as a five (5) on the Enhanced Fujita Scale;

30 (B) Is placed in service as an attachment to the
31 taxpayer's primary residence or on the same lot or parcel as the taxpayer's
32 primary residence, and no other qualified storm shelter is attached to the
33 taxpayer's primary residence or on the same lot or parcel as the taxpayer's
34 primary residence;

35 (C) Meets or exceeds the most recent minimum criteria
36 established by the Federal Emergency Management Agency for the design,



1 construction, and operation of residential safe rooms; and

2 (D) Is built on the site of the taxpayer's primary
3 residence or is manufactured offsite and installed on the site of the
4 taxpayer's primary residence; and

5 (3) "Single-family residence" means a structure designed
6 according to the International Residential Codes or its predecessor codes.

7 (b) There is allowed an income tax credit against the income tax
8 imposed by this chapter in an amount equal to the lesser of:

9 (1) Fifty percent (50%) of the total cost of the construction,
10 acquisition, and installation of a qualified storm shelter at the primary
11 residence of the taxpayer during the tax year, excluding any costs reimbursed
12 or expected to be reimbursed by another entity, including without limitation
13 insurance reimbursement, grants, or other government subsidies or incentives;
14 or

15 (2) Three thousand dollars (\$3,000).

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

19 (d)(1) The total amount of income tax credits that may be awarded
20 under this section shall not exceed two million dollars (\$2,000,000) for all
21 taxpayers in a calendar year.

22 (2) Before claiming an income tax credit under this section, a
23 taxpayer shall file an informational report in the manner prescribed by the
24 Division of Emergency Management that includes information showing:

25 (A) The costs for construction, acquisition, and
26 installation of a qualified storm shelter at the primary residence of the
27 taxpayer; and

28 (B) Any additional information required by the division.

29 (3)(A) Upon receipt of an informational report containing the
30 information required under this subsection, the division shall issue an
31 income tax credit certificate to the taxpayer submitting the informational
32 report.

33 (B) Income tax credit certificates issued under
34 subdivision (d)(3)(A) of this section shall be issued on a first-come, first-
35 served basis until the maximum amount of income tax credits stated in
36 subdivision (d)(1) of this section is met.

1 (C) If the maximum amount of income tax credits stated in
2 subdivision (d)(1) of this section is met:

3 (i) The division shall notify each taxpayer who has
4 submitted an informational report under this subsection but who will not
5 receive an income tax credit certificate because the maximum amount stated in
6 subdivision (d)(1) of this section has been met that no additional income tax
7 credit certificates will be issued for the tax year; and

8 (ii) Notwithstanding any other restrictions stated
9 in this section, each taxpayer notified under subdivision (d)(3)(C)(i) of
10 this section is allowed to resubmit his or her informational report under
11 this subsection in the next tax year.

12 (e)(1) The division shall prepare an annual report detailing the
13 number of qualified storm shelters constructed, acquired, and installed and
14 the amount of income tax credits allowed under this section during the
15 previous calendar year.

16 (2) The report required under subdivision (e)(1) of this section
17 shall:

18 (A) Contain information that is consistent with any rules
19 adopted by the Department of Finance and Administration; and

20 (B) Be submitted to the Legislative Council or, if the
21 General Assembly is in session, the Joint Budget Committee.

22 (f) The division and the department may adopt rules to implement and
23 administer this section.

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