

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

A Bill

HOUSE BILL 1540

5 By: Representatives J. Mayberry, K. Brown
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For An Act To Be Entitled

9 AN ACT TO AMEND THE INCOME TAX CREDIT AND THE INCOME
10 TAX DEDUCTION RELATED TO MAINTAINING, SUPPORTING, AND
11 CARING FOR AN INDIVIDUAL WITH A DISABILITY; TO AMEND
12 AND INCREASE THE INCOME TAX CREDIT ALLOWED FOR
13 MAINTAINING, SUPPORTING, AND CARING FOR AN INDIVIDUAL
14 WITH A DEVELOPMENTAL DISABILITY; TO REPEAL THE INCOME
15 TAX DEDUCTION ALLOWED FOR MAINTAINING, SUPPORTING,
16 AND CARING FOR AN INDIVIDUAL WITH A TOTAL AND
17 PERMANENT DISABILITY; AND FOR OTHER PURPOSES.
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Subtitle

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21 TO AMEND THE INCOME TAX CREDIT AND THE
22 INCOME TAX DEDUCTION RELATED TO
23 MAINTAINING, SUPPORTING, AND CARING FOR
24 AN INDIVIDUAL WITH A DISABILITY.
25

26 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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28 SECTION 1. Arkansas Code § 26-51-418 is repealed.

29 ~~26-51-418. Deductions—Child with disability—Definitions.~~

30 ~~(a) In addition to any other state income tax deduction permitted by~~
31 ~~law, a taxpayer in this state who is maintaining, supporting, and caring for~~
32 ~~a totally and permanently disabled child in his or her home shall be~~
33 ~~permitted a deduction on his or her Arkansas income taxes of five hundred~~
34 ~~dollars (\$500) for each income year that the taxpayer maintains, supports,~~
35 ~~and cares for such totally and permanently disabled child.~~

36 ~~(b) As used in this section:~~



1 (1) ~~“Child” means a natural or adopted child of the taxpayer;~~
 2 ~~and~~

3 (2)(A) ~~“Totally and permanently disabled” means any child who is~~
 4 ~~unable to engage in any substantial gainful activity by reason of any~~
 5 ~~medically determinable physical or mental impairment which can be expected to~~
 6 ~~result in death or which has lasted or can be expected to last for a~~
 7 ~~continuous period of not less than twelve (12) months.~~

8 (B) ~~A physical or mental impairment is an impairment that~~
 9 ~~results from anatomical, physiological, or psychological abnormalities which~~
 10 ~~are demonstrable by medically acceptable clinical or laboratory diagnostic~~
 11 ~~techniques.~~

12 (c) ~~The Secretary of the Department of Finance and Administration may~~
 13 ~~adopt appropriate rules to carry out the purpose and intent of this section~~
 14 ~~and to prevent abuse of the deduction provided for in this section.~~

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16 SECTION 2. Arkansas Code § 26-51-503 is amended to read as follows:

17 26-51-503. Support of ~~a child~~ an individual with a developmental
 18 disability – Definitions.

19 (a) In addition to the state income tax credit permitted by § 26-51-
 20 501(a) and (b), any taxpayer in this state who is maintaining, supporting,
 21 and caring for an individual with a diagnosis of a developmental disability
 22 in the taxpayer’s home is permitted, in addition to all other income tax
 23 credits, a credit of ~~five hundred dollars (\$500)~~ one thousand dollars
 24 (\$1,000) for each income year for that individual.

25 (b)(1) Any person wishing to take advantage of this tax credit must
 26 have certification by a licensed physician, licensed psychologist, ~~or~~
 27 ~~licensed psychological examiner,~~ licensed advanced practice registered nurse,
 28 or licensed physician assistant that the individual has a diagnosis of a
 29 developmental disability.

30 (2) A certification provided before January 1, 2025, on the form
 31 required by the Department of Finance and Administration under this section
 32 is effective for a person to take advantage of the tax credit allowed under
 33 this section.

34 (c) As used in this section:

35 (1) ~~“Diagnosis of a developmental disability” means a disability~~
 36 ~~of a person that:~~

1 ~~(A) Is attributable to:~~

2 ~~(i) An intellectual disability, cerebral palsy,~~
 3 ~~epilepsy, spina bifida, Down syndrome, or autism;~~

4 ~~(ii) Another condition of the person found to be~~
 5 ~~closely related to an intellectual disability because the condition results~~
 6 ~~in an impairment of general intellectual functioning or adaptive behavior~~
 7 ~~similar to that of a person with an intellectual disability or requires~~
 8 ~~treatment and services similar to that required for a person with an~~
 9 ~~intellectual disability; or~~

10 ~~(iii) Dyslexia resulting from a disability or~~
 11 ~~condition described in subdivision (c)(1)(A)(i) or subdivision (c)(1)(A)(ii)~~
 12 ~~of this section;~~

13 ~~(B) Originates before the person reaches twenty-two (22)~~
 14 ~~years of age;~~

15 ~~(C) Has continued or can be expected to continue~~
 16 ~~indefinitely; and~~

17 ~~(D) Constitutes a substantial handicap to the person's~~
 18 ~~ability to function without appropriate support services, including without~~
 19 ~~limitation:~~

20 ~~(i) Planned recreational activities;~~

21 ~~(ii) Medical services such as physical therapy and~~
 22 ~~speech therapy; and~~

23 ~~(iii) Possibilities for sheltered employment or job~~
 24 ~~training "Developmental disability" means the same as defined in 42 U.S.C. §~~
 25 ~~15002, as it existed on January 1, 2025; and~~

26 (2) ~~"Individual" means a child of the taxpayer's blood, an~~
 27 ~~adopted child, or~~ a dependent within the meaning of § 26-51-501(a)(3)(B).

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 29 SECTION 3. EFFECTIVE DATE. Sections 1 and 2 of this act are effective
 30 for tax years beginning on or after January 1, 2025.