

1 State of Arkansas
2 92nd General Assembly
3 Regular Session, 2019
4

A Bill

HOUSE BILL 1075

5 By: Representatives J. Mayberry, Watson
6 By: Senator Maloch
7

For An Act To Be Entitled

9 AN ACT TO AMEND THE ACHIEVING A BETTER LIFE
10 EXPERIENCE PROGRAM ACT; TO PROVIDE FOR AN INCOME TAX
11 DEDUCTION FOR CONTRIBUTIONS TO A DISABILITY SAVINGS
12 ACCOUNT; AND FOR OTHER PURPOSES.
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Subtitle

15 TO AMEND THE ACHIEVING A BETTER LIFE
16 EXPERIENCE PROGRAM ACT; AND TO PROVIDE
17 FOR AN INCOME TAX DEDUCTION FOR
18 CONTRIBUTIONS TO A DISABILITY SAVINGS
19 ACCOUNT.
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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 § 20-3-111, concerning funds exempt from tax
26 under the Achieving a Better Life Experience Program Act, is amended to add
27 an additional subsection to read as follows:

28 (d)(1) Contributions to a disability savings account established under
29 this subchapter may be deducted from the taxpayer's adjusted gross income for
30 the purpose of calculating Arkansas income tax under § 26-51-403(b).

31 (2) Deductible contributions under this subsection shall not
32 exceed five thousand dollars (\$5,000) per taxpayer in a tax year.

33 (3) A contribution that has been deducted from a taxpayer's
34 income for a prior tax year under this subsection is subject to recapture if
35 the taxpayer:

36 (A) Takes a subsequent nonqualified distribution from the



1 account; or

2 (B) Rolls the account over to a tax-deferred savings
3 program established by another state or institution under 26 U.S.C. § 529A.

4 (4) A contribution that is subject to recapture under this
5 subsection shall be recaptured by adding the amount previously deducted, not
6 to exceed the amount of the nonqualified distribution, to the taxpayer's
7 adjusted gross income for the tax year in which the nonqualified distribution
8 occurred.

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10 SECTION 2. EFFECTIVE DATE. This act is effective for tax years
11 beginning on or after January 1, 2019.