

1 State of Arkansas
2 94th General Assembly
3 Regular Session, 2023
4

A Bill

HOUSE BILL 1158

5 By: Representative J. Mayberry
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For An Act To Be Entitled

8 AN ACT TO CREATE THE EARLY CHILDHOOD EDUCATION
9 WORKFORCE QUALITY INCENTIVE ACT; TO CREATE AN INCOME
10 TAX CREDIT FOR CERTAIN EARLY CHILDHOOD EDUCATION
11 WORKERS; TO CREATE AN INCOME TAX CREDIT FOR ELIGIBLE
12 BUSINESS CHILDCARE EXPENSES; AND FOR OTHER PURPOSES.
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Subtitle

15 TO CREATE THE EARLY CHILDHOOD EDUCATION
16 WORKFORCE QUALITY INCENTIVE ACT; AND TO
17 CREATE INCOME TAX CREDITS FOR CERTAIN
18 EARLY CHILDHOOD EDUCATION WORKERS AND FOR
19 ELIGIBLE BUSINESS CHILDCARE EXPENSES.
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23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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25 SECTION 1. DO NOT CODIFY. Title.

26 This act shall be known and may be cited as the "Early Childhood
27 Education Workforce Quality Incentive Act".
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29 SECTION 2. Arkansas Code Title 26, Chapter 51, Subchapter 5, is
30 amended to add additional sections to read as follows:

31 26-51-517. Early childhood education workforce quality incentive
32 credit.

33 (a) There is allowed an early childhood education workforce quality
34 incentive credit against the income tax imposed by this chapter in the amount
35 provided under subsection (b) of this section for qualifying early childhood
36 education program directors, teachers, and instructional staff who:



1 (1) Are employed in an early childhood education program that
 2 meets the requirements of the Better Beginnings quality rating system of the
 3 Department of Human Services, or its successor; and

4 (2) Earn less than the state's minimum salary for kindergarten
 5 through grade twelve (K-12) public school teachers, as provided in § 6-17-
 6 2403.

7 (b) The income tax credit allowed under this section is allowed in the
 8 following amounts:

9 (1) For a taxpayer who has a Child Development Associate
 10 credential from a program approved by the department, one thousand eight
 11 hundred dollars (\$1,800);

12 (2) For a taxpayer who has an Arkansas Children's Program
 13 Administrator Credential recognized by the National Association for the
 14 Education of Young Children, one thousand eight hundred dollars (\$1,800);

15 (3) For a taxpayer who has an associate degree in early
 16 childhood education or a related field, two thousand four hundred dollars
 17 (\$2,400); and

18 (4) For a taxpayer who has a bachelor's degree or higher in
 19 early childhood education or a related field, three thousand dollars
 20 (\$3,000).

21 (c) If the amount of the income tax credit allowed under this section
 22 exceeds the taxpayer's income tax liability, the excess shall be refunded to
 23 the taxpayer.

24 (d) To claim the income tax credit allowed under this section, the
 25 taxpayer shall file with his or her individual income tax return an
 26 attestation form provided by the Arkansas Professional Development Registry
 27 of the Department of Human Services, or its successor, verifying that the
 28 taxpayer meets the requirements for the income tax credit allowed under this
 29 section.

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 31 26-51-518. Business childcare expenditures.

32 (a) As used in this section:

33 (1) "Eligible business childcare expenses" means the total of
 34 the following expenses a business incurs, not to exceed fifty thousand
 35 dollars (\$50,000), to provide child care for its employees:

36 (A) Expenses to construct, renovate, expand, or make major

1 repairs to an eligible childcare facility;

2 (B) Expenses for the purchase of equipment for an eligible
 3 childcare facility;

4 (C) Expenses to maintain and operate an eligible childcare
 5 facility;

6 (D) Payments made to an eligible childcare facility for
 7 childcare services to support employees; and

8 (E) Expenses for the purchase of childcare slots at
 9 eligible childcare facilities actually provided or reserved for children of
 10 employees; and

11 (2) "Eligible childcare facilities" means a childcare facility
 12 that has received a quality rating of at least level two (2) by the Division
 13 of Child Care and Early Childhood Education of the Department Human Services.

14 (b)(1) A taxpayer that incurs eligible business childcare expenses is
 15 allowed an income tax credit against the income tax imposed by this chapter
 16 in the amount determined under subsection (c) of this section.

17 (2) If the amount of the income tax credit allowed under this
 18 section exceeds the taxpayer's income tax liability, the excess shall be
 19 refunded to the taxpayer.

20 (c)(1) The amount of the tax credit allowed a taxpayer under
 21 subsection (b) of this section during a given tax year depends on the level
 22 of the quality rating that the eligible childcare facility received from the
 23 division during that tax year.

24 (2) If the eligible childcare facility received a rating of:

25 (A) Level six (6), then the taxpayer is allowed a credit
 26 of up to twenty-five percent (25%) of the eligible business childcare
 27 expenses;

28 (B) Level five (5), then the taxpayer is allowed a credit
 29 of up to twenty percent (20%) of the eligible business childcare expenses;

30 (C) Level four (4), then the taxpayer is allowed a credit
 31 of up to fifteen percent (15%) of the eligible business childcare expenses;

32 (D) Level three (3), then the taxpayer is allowed a credit
 33 of up to ten percent (10%) of the eligible business childcare expenses; and

34 (E) Level two (2), then the taxpayer is allowed a credit
 35 of up to five percent (5%) of the eligible business childcare expenses.

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1 SECTION 3. EFFECTIVE DATE. Section 2 of this act is effective for tax
2 years beginning on or after January 1, 2023.

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