

1 State of Arkansas
2 93rd General Assembly
3 Regular Session, 2021
4

A Bill

SENATE BILL 642

5 By: Senator G. Leding
6

For An Act To Be Entitled

8 AN ACT TO CREATE THE STRONG FAMILIES ACT; TO CREATE
9 AN INCOME TAX CREDIT FOR EMPLOYERS THAT PROVIDE PAID
10 FAMILY AND MEDICAL LEAVE FOR CERTAIN EMPLOYEES; AND
11 FOR OTHER PURPOSES.
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Subtitle

14 TO CREATE THE STRONG FAMILIES ACT; AND TO
15 CREATE AN INCOME TAX CREDIT FOR EMPLOYERS
16 THAT PROVIDE PAID FAMILY AND MEDICAL
17 LEAVE FOR CERTAIN EMPLOYEES.
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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23 SECTION 1. Arkansas Code Title 26, Chapter 51, is amended to add an
24 additional subchapter to read as follows:

Subchapter 27 – Strong Families Act

26-51-2701. Title.

28 This subchapter shall be known and may be cited as the “Strong Families
29 Act”.
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26-51-2702. Definitions.

31 As used in this subchapter:

32 (1)(A) “Family and medical leave” means leave from work for:

33 (i) A serious health condition of the employee that
34 prevents the employee from performing his or her essential job duties;
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36 (ii) The birth or adoption of a child; or



1 (iii) The care of a child, spouse, or parent who has
2 a serious health condition.

3 (B) "Family and medical leave" does not include:

4 (i) Earned sick leave;

5 (ii) Earned annual leave; or

6 (iii) Earned compensatory leave;

7 (2) "Qualified employee" means an employee who has been employed
8 by the employer for at least twelve (12) consecutive months;

9 (3) "Serious health condition" means an illness, injury,
10 impairment, or physical or mental condition that involves:

11 (A) Inpatient care in a hospital, hospice, or residential
12 medical care facility; or

13 (B) Continuing treatment by a healthcare provider; and

14 (4) "Wages" means remuneration paid for personal services.

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16 26-51-2703. Strong families tax credit.

17 (a)(1)(A) An employer is allowed an income tax credit against the
18 income tax imposed by this chapter in an amount equal to twenty-five percent
19 (25%) of the amount of wages paid to a qualified employee during the period
20 in which the qualified employee is on family and medical leave.

21 (B) If a qualified employee is not paid on an hourly
22 basis, the wages of the qualified employee shall be prorated to an hourly
23 basis.

24 (2) The income tax credit allowed under this section shall not
25 exceed four thousand dollars (\$4,000) per qualified employee in a tax year.

26 (b) An employer is eligible for the income tax credit allowed under
27 this section if the employer:

28 (1) Provides full-time qualified employees with at least four
29 (4) weeks of paid family and medical leave over a twelve-month period;

30 (2) Provides part-time qualified employees with an amount of
31 paid family and medical leave that bears the same ratio to four (4) weeks of
32 family and medical leave as the number of hours the part-time qualified
33 employee is expected to work in a week bears to the number of hours an
34 equivalent full-time qualified employee is expected to work during a week;

35 (3) Provides family and medical leave on the smallest increment
36 of time permitted under the employer's payroll system; and

1 (4) Adopts a policy regarding family and medical leave that
2 states that the employer will not:

3 (A) Interfere with, restrain, or deny the exercise of or
4 the attempt to exercise a right provided under the employer's family and
5 medical leave policy; or

6 (B) Discharge or in any other manner discriminate against
7 an employee for opposing a practice prohibited by the policy.

8 (c) The maximum amount of time for which an employer may claim an
9 income tax credit under this section for providing family and medical leave
10 for a qualified employee is twelve (12) weeks in a twelve-month period.

11 (d) Family and medical leave may run concurrently with leave that is
12 required under state or federal law, including without limitation the Family
13 and Medical Leave Act of 1993, 29 U.S.C. § 2601 et seq.

14 (e) The amount of the income tax credit allowed under this section
15 that may be claimed by the taxpayer in a tax year shall not exceed the amount
16 of income tax due by the taxpayer.

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18 SECTION 2. EFFECTIVE DATE. Section 1 of this act is effective for tax
19 years beginning on or after January 1, 2021.