

Subject 209

Nontaxable Income

Income that is not taxable by the State of Arkansas includes:

1. Child support payments;
2. Welfare benefits;
3. Life insurance proceeds that are received in a lump sum because of the death of an individual;
4. Tax exempt interest;
5. Accident and health insurance proceeds;
6. Gifts and inheritances;
7. Cash rebate on the purchase of cars and other items;
8. Social Security and Railroad Retirements benefits;
9. Scholarships, grants and fellowships (if certain qualifications are met); and
10. Unemployment Compensation.

Keep records of your non-taxable income, and report the type and amount on Line 56 of AR1000 or AR1000NR.