

Subject 503

Tax Credits – General

The State of Arkansas allows you to use certain tax credits to lower or offset your tax liability. If you qualify for these credits, they can be used to the extent of your tax liability. The credits allowed are:

1. Personal Tax Credits
2. State Political Contributions Credit - **Subject 508**
3. Other State Tax Credit - **Subject 505**
4. Child Care Credit - **Subject 504**
5. Credit for Adoption Expenses - **Subject 507**
6. Phenylketonuria (PKU) Disorder Credit
7. Business and Incentive Tax Credits - **Subject 506**

There are several personal tax credits. These credits are figured on Lines 7A through 7D, Forms AR1000, AR1000NR, and AR1000S. If a credit applies to you, check the box beside the credit for “Yourself”, and check an additional credit for your spouse if he/she is filing on the same return as you. The personal tax credits are:

1. **Primary filer**
2. **Spouse**
3. **65 and Over** (You may claim this credit for 2008 if age 65 or over on January 1, 2009)
4. **65 Special** (You may claim this credit if you do not use the \$6,000 retirement exemption.)
5. **Blind** (You may claim this credit if your eye sight in the better eye does not exceed 20/200 with corrective lenses, or your field of vision is limited to an angle of 20 degrees.)
6. **Deaf** (You may claim this credit if your average loss in speech frequencies is 86 decibels, I.S.O. or worse.)
7. **Head of Household or Qualifying Widow or Widower** (You receive an additional credit if you qualify for these filing statuses.)
8. **Dependents** (List the first names of your dependents on Line 7B.)
9. **Developmentally Disabled Individual Credit** (This is a **\$500 credit** per developmentally disabled dependent. It is taken in addition to the regular dependent credit of \$23. You must have a medical doctor, licensed psychologist, or licensed psychological examiner complete and sign Form AR1000RC5.)