



## INSTRUCTIONS FOR AR1000TC

**LINE 1.** A credit of up to \$50.00 per taxpayer (\$100.00 for a joint return) is allowed against your Arkansas individual income tax liability for cash contributions made by the taxpayer(s) to one of the following:

- (1) A candidate seeking nomination or election to a public office or to the candidate's campaign committee.
- (2) An approved political action committee as defined by Arkansas Code Annotated § 7-6-201.
- (3) An organized political party as defined in Arkansas Code Annotated § 7-1-101.

For the purposes of this credit, "public office" means any office created by or under the authority of the laws of the State of Arkansas, or a subdivision thereof, that is filled by the voters. **The credit does not apply to contributions made to candidates for federal offices.** The contribution must be made by **April 15, 2026** to be claimed on the **2025** tax return.

Enter the amount of allowable State Political Contributions Credit(s) on this line. The allowable credit(s) cannot exceed \$50.00 for filing status 1, 3, 5, or 6 or \$100.00 total for filing status 2 or 4.

**LINE 2.** The purpose of the other state tax credit is to prevent Arkansas residents from being taxed twice on income earned outside of the state of Arkansas. **Nonresidents cannot claim this credit on their Arkansas return.** The credit amount is the lesser of the two (2) amounts below:

1. Either the actual tax liability amount from outside states,  
**or**
2. The other states' taxable income\* taxed at Arkansas rates.

To calculate #2 listed above, there are three (3) steps:

**Step 1:** Calculate on an AR1000F what the taxpayer's Total Tax (line 33 of the AR1000F) would be with everything included, as you would normally—Arkansas and the other states' income/losses included.

**Step 2:** (Temporarily) redo the AR1000F, but with all the other states' income/losses removed. Make a note of the new Total Tax amount.

**Step 3:** Subtract the Total Tax in Step 2 from the Total Tax in Step 1. This lets you see exactly how much affect the other states' income had on AR taxes; this is how much the tax would be on the outside income, if added to the Arkansas income, and calculated at Arkansas income tax rates.

**NOTE:** It is important to keep in mind that some deductions on the AR1000F return are directly linked to income and might need to be adjusted in Step 2 of the above calculations. An example would be other states' gambling losses.

**YOU MUST ATTACH TO YOUR ARKANSAS RETURN A SIGNED COPY OF THE TAX RETURN(S) YOU FILED WITH THE OTHER STATE(S).**

A tax credit is allowed for a resident shareholder's pro rata share of any net income tax paid by a Sub S Corporation to a state that does not recognize Sub S Corporation status.

**The State of Mississippi enacted a special tax that applies exclusively to gambling winnings. This tax is separate and distinct from Mississippi's income tax. As such, an Arkansas taxpayer cannot claim a credit against their Arkansas income tax liability for payment of the gambling winnings tax to the State of Mississippi.**

**LINE 3.** The Adoption Expense Credit allowed is twenty percent (**20%**) of the amount allowed on your federal return. A copy of **federal Form 8839 must be attached to your Arkansas return.**

**LINE 4.** Enter the allowable Phenylketonuria Disorder Credit. Attach Form AR1113.

**LINE 5.** Enter the allowable amount. Attach Certificate of Birth resulting in stillbirth (maximum credit is \$500 per stillborn birth. Total credit cannot exceed amount of Total Tax).



## INSTRUCTIONS FOR AR1000TC (CONT.)

**LINE 6.** Enter the allowable amount. Use worksheet for Additional Tax Credit for Qualified Individuals to determine allowable amount.

**LINE 7.** Multiply number of dependents with developmental disabilities by \$500 and enter the total. **Individuals must qualify for the credit. See AR1000-DD (formerly Form AR1000RC5) instructions for eligible disabilities and definition of dependent(s).**

On lines 7A-7F enter the name and social security number for each dependent for which you are claiming the credit for Individuals with Developmental Disabilities.

**NOTE:** You must attach Form AR1000-DD (formerly Form AR1000RC5) to the return if this is the first year that you claim the Credit for Individuals with Developmental Disabilities. Any certification that was valid on January 1, 2022, and all new certifications going forward from that date will have no expiration date.

**LINE 8.** Enter the total allowable credit(s) claimed. Enter the Tax Credit Code(s) and amount(s) on lines 8A to 8F. If the primary and/or spouse are claiming credits earned by a pass-through entity, then the FEIN of that entity must also be entered. Enter the total amounts from lines 8A to 8F in box 8. **A copy of the tax credit certificate(s) or appropriate documentation associated with the tax credit(s) claimed must be attached to AR1000TC.**

**NOTE:** Recent legislation may have amended, increased, or extended some of the provisions for Tax Credits. Use of any credit is subject to the limitations and carryover provisions provided by the respective Arkansas statute. A summary of the Tax Credit Programs can be found at: [www.dfa.arkansas.gov](http://www.dfa.arkansas.gov) If you have questions, please contact the Tax Credits/Special Refunds Section at (501) 682-7106.

### TAX CREDIT TYPES

#### Code Credit Type

0001....Advantage Arkansas  
0002....Affordable Housing  
0003....AR Plus  
0004....AR Plus 50% Technology-Based  
0005....AR Plus 75% Technology-Based  
0006....AR Plus 100% Technology-Based  
0009....Child Care Facility  
0010....Coal Mining Producing and Extracting  
0011....Delta Geotourism  
0014....Equipment Donation/Sale  
0015....Equity Investment Incentive  
0016....Existing Workforce Training  
0017....Family Savings Initiative Act  
0018....Historic Rehabilitation  
0019....Low Income Housing  
0020....Public Roads Incentive  
0021....Research Park Authority  
0022....Research and Development with Universities  
0023....In-House Research Income Tax Credit  
0024....In-House Res. by Targeted Business Income Tax Credit  
0025....In-House Res. Area of Strategic Value Income Tax Credit  
0026....Qualified Research  
0028....Tourism Development  
0029....Tuition Reimbursement Program  
0030....Targeted Business Payroll  
0031....Venture Capital Investment  
0034....Waste Reduction, Reuse or Recycle Equipment  
0035....Water Impounded Outside Critical

#### Code Credit Type

0036....Water Impounded Within Critical  
0037....Water Surface Outside Critical  
0038....Water Surface Inside Critical  
0039....Water Surface Inside Critical-Industrial or Commercial  
0040....Water Land Leveling  
0041....Wetland Riparian Zone Creation/Restoration  
0042....Wetland Riparian Zone Conservation  
0043....Central Business Improvement District Rehab and Dev  
0044....Biodiesel Incentive Credit  
0045....Recycle Equipment for Steel Manufacturer  
0046....Recycle-Steel Manufacturer Amendment 82 Project Act 862  
0047....Recycle-Expansion Project Act 1046  
0048....Recycle-Steel MFG Specialty Products Facility \$4M Act 1046  
0049....Recycle-Steel MFG Specialty Products Facility \$5M Act 1046  
0050....Recycle-Steel MFG Specialty Products Facility \$6.5M Act 1046  
0051....Apprenticeship Program  
0052....Major Historic Rehabilitation  
0054....Arkansas Wood Energy Products and Forest Maintenance  
0055....Railroad Modernization  
0056....Motion Picture  
0057....Retired Law Enforcement Cold Case  
0058....Philanthropic Investment  
0059....Waterways Investments  
0060....Natural State Initiative (NSI) Tourism Development  
0062....Sustainable Aviation Fuel  
0063....Arkansas Wood Energy Products and Forest Maintenance Expansion  
0064....Relocating Corporate Headquarters  
0065....Modernization and Automation