



The IRS has announced it will begin processing tax returns on January 29. Before you begin preparing your returns, we want to make you aware of a few of the changes made in recent sessions impacting your Arkansas return.

The following legislation is in effect:

Capital Gains Exemption (Act 1173 of 2015): For tax year 2017, the exemption for net capital gains is 50% for the entire year.

Teacher Classroom Investment Deduction (Act 666 of 2017): Beginning with tax year 2017, a deduction is allowed for a qualified classroom investment expense by a teacher as defined in this Act. The deduction is limited to \$250 per taxpayer or \$500 for married filing jointly if each taxpayer is a teacher.

Community Match Rural Physician Recruitment

Program Incentives (Act 763 of 2017): Beginning with tax year 2017, income received by a taxpayer under the Community Match Rural Physician Recruitment Program is exempt from income tax.

Tuition Savings Account Deduction Carry-forwards (Act 481 of 2017): Beginning on August 1, 2017, if total contributions to the Tax-Deferred Tuition Savings Program exceeds \$5,000 per taxpayer in any tax year then the amount over the limit of \$5,000 may be carried forward to the next succeeding four tax years.

Non-Arkansas Tuition Savings Programs (Act 883 of 2017): Beginning with tax year 2017, a deduction of up to \$3,000 is allowed for contributions to a Tax-Deferred Tuition Savings Program established by another state under if the amount is not deducted in the other state or on the other state's income taxes.

While we are constantly striving to simplify our state tax codes, we recognize the need many have for assistance in preparing their taxes and filing returns. This week, we would also like to remind you about the free services offered to many Arkansans.

Many Arkansans can utilize the IRS's Free File program. This web-based program is a free federal tax preparation and electronic filing program for the approximately 70% of taxpayers who earn less than \$60,000 in annual adjusted gross income. Eligible consumers can go to IRS.gov and choose from multiple private companies that will file federal returns at no charge.

If you cannot afford to pay for tax preparation assistance, you may also be eligible to receive free help through the Volunteer Income Tax Assistance Program (VITA). Consumers can call (800) 829-1040 for information about VITA volunteer locations near them. Additionally, seniors can contact AARP at (888) 227-7669 to find the nearest TCE Tax-Aide site.