

State of Arkansas
90th General Assembly
Regular Session, 2015

As Engrossed: H2/17/15
A Bill

HOUSE BILL 1007

By: Representative Linck

For An Act To Be Entitled

AN ACT TO REDUCE THE INCOME TAX RATES FOR INDIVIDUALS, TRUSTS, AND ESTATES; TO OFFSET THE REVENUES GENERATED BY SALES TAX COLLECTED FROM OUT-OF-STATE SELLERS BY REDUCING THE INCOME TAX RATES APPLICABLE TO INDIVIDUALS, TRUSTS, AND ESTATES; AND FOR OTHER PURPOSES.

Subtitle

TO OFFSET THE REVENUES GENERATED BY SALES TAX COLLECTED FROM OUT-OF-STATE SELLERS BY REDUCING THE INCOME TAX RATES APPLICABLE TO INDIVIDUALS, TRUSTS, AND ESTATES.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code § 26-51-201, *as amended by Act 22 of 2015 and concerning* the income tax imposed on individuals, trusts, and estates, is amended to add an additional subsection to read as follows:

(e) If the director determines that federal law authorizes the state to collect sales and use tax from sellers that do not have a physical presence in the state, then after the first twelve (12) months of collecting sales and use tax from sellers that do not have a physical presence in the state the director shall:

(1) After making the deductions required under § 19-5-202(b)(2)(B)(i), certify to the Governor and the Office of Economic and Tax Policy the amount of available net general revenues attributable to the



collection of sales and use tax from sellers that do not have a physical presence in the state during the first twelve (12) months of collections;

(2) Use any amount under subdivision (e)(1) of this section that exceeds seventy million dollars (\$70,000,000) to reduce the rate of four and five-tenths percent (4.5%) in the table contained in subdivision (a)(7) of this section equally for all taxpayers subject to the rate of four and five-tenths percent (4.5%);

(3) Certify the amount of the reduction of the income tax rate under this subsection to the Governor and the Office of Economic and Tax Policy; and

(4) Incorporate the reduced income tax rate into the table prescribed under subsection (d) of this section, which shall be applicable for each tax year thereafter.

SECTION 2. EFFECTIVE DATE. This act is effective for tax years beginning on and after January 1, 2015.

/s/Linck

APPROVED: 03/27/2015