

State of Arkansas  
92nd General Assembly  
Regular Session, 2019

As Engrossed: H3/13/19

# A Bill

HOUSE BILL 1721

By: Representative M. Gray

## For An Act To Be Entitled

AN ACT TO CLARIFY THE INCOME TAX EXEMPTION FOR  
SERVICE PAY OR ALLOWANCES RECEIVED BY ACTIVE DUTY  
MEMBERS OF THE ARMED FORCES; AND FOR OTHER PURPOSES.

### Subtitle

TO CLARIFY THE INCOME TAX EXEMPTION FOR  
SERVICE PAY OR ALLOWANCES RECEIVED BY  
ACTIVE DUTY MEMBERS OF THE ARMED FORCES.

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

SECTION 1. Arkansas Code § 26-51-306(a)(1)(D), concerning the income tax exemption for compensation and benefits from military service, is amended to read as follows:

~~(D)(i) For tax years beginning on or after January 1, 2014, the~~ The service pay or allowance received by an active duty member of the armed ~~services~~ forces is exempt from the income tax imposed under this chapter.

~~(ii) "Active duty member of the armed services" means all members of the armed forces, including the National Guard and Reserve units.~~

SECTION 2. Arkansas Code § 26-51-306(c), concerning the income tax exemption for compensation and benefits from military service, is amended to read as follows:

(c) As used in this section, ~~"armed:~~

(1) "Active duty member of the armed forces" means a member s in



the armed forces of the United States, including without limitation full-time training duty, annual training duty, and attendance while in the active military service at a school designated as a service school by law or by the secretary of the relevant military department;

(2)(A) "Armed forces" means the United States Army, United States Navy, United States Air Force, United States Marine Corps, and United States Coast Guard, the National Guard, and the reserve components of the United States Army, United States Navy, United States Air Force, United States Marine Corps, and United States Coast Guard.

(B) "Armed forces" does not include:

(i) A military technician (dual status) under 10 U.S.C. § 10216(a)(1), as it existed on January 1, 2019;

(ii) The National Oceanic and Atmospheric Administration Commissioned Officer Corps; or

(iii) The United States Commissioned Corps of the Public Health Service; and

(3) "Armed services" means ~~any and all members of~~ the National Guard, reserve components of the armed forces, United States Army, United States Navy, United States Marine Corps, United States Coast Guard, United States Air Force, ~~and any and all other branches of the military and naval forces or auxiliaries~~ National Oceanic and Atmospheric Administration Commissioned Officer Corps, and United States Commissioned Corps of the Public Health Service.

SECTION 3. EFFECTIVE DATE. Sections 1 and 2 of this act are effective for tax years beginning on or after January 1, 2020.

*/s/M. Gray*

**APPROVED: 4/3/19**