

State of Arkansas
93rd General Assembly
Regular Session, 2021

A Bill

SENATE BILL 441

By: Senator B. Ballinger
By: Representative Gazaway

For An Act To Be Entitled

AN ACT TO MAKE TECHNICAL CORRECTIONS TO TITLE 26 OF
THE ARKANSAS CODE CONCERNING TAXATION; AND FOR OTHER
PURPOSES.

Subtitle

TO MAKE TECHNICAL CORRECTIONS TO TITLE
26 OF THE ARKANSAS CODE CONCERNING
TAXATION.

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

SECTION 1. Arkansas Code § 26-35-601(b), concerning the collection of personal property taxes with real estate taxes, is amended to read as follows to conform a criminal offense to the style of the Arkansas Criminal Code:

(b) Any county collector ~~willfully~~ knowingly accepting payment of general real estate taxes without requiring the payment of personal property taxes due as reflected by the records in the county collector's office shall be deemed guilty of a ~~misdemeanor~~ violation and upon conviction shall be fined in a sum not less than twenty-five dollars (\$25.00) nor more than one hundred dollars (\$100).

SECTION 2. Arkansas Code § 26-36-303(1)(A)(vii), concerning the definition of "claimant agency" in relation to setoffs against state tax refunds, is amended to read as follows to remove obsolete references:

(vii) Arkansas circuit, county, or district, ~~or city~~
courts;



SECTION 3. Arkansas Code § 26-36-303(1)(B), concerning the definition of "claimant agency" in relation to setoffs against state tax refunds, is amended to read as follows to remove an obsolete reference:

(B) An entity shall not be added as a claimant agency under this subdivision (1) ~~after July 16, 2003,~~ unless the entity has an annual outstanding debt of two hundred thousand dollars (\$200,000);

SECTION 4. Arkansas Code § 26-36-303(2)(D)(iv), concerning the definition of "debt" in relation to setoffs against state tax refunds, is amended to read as follows to remove obsolete references:

(iv) Restitution ordered by a circuit, county, or district, ~~or city~~ court related to the violation of any state law;

SECTION 5. Arkansas Code § 26-51-207 is repealed as an expired provision of the law.

~~26-51-207. Income tax surcharge.~~

~~(a) In addition to the taxes levied by § 26-51-201 et seq., § 26-51-301, and § 26-51-302 [repealed], there is levied an income tax surcharge of three percent (3%) of the tax liability of every person required to file an Arkansas income tax return.~~

~~(b)(1) If an individual is a resident of an Arkansas border city described in § 26-52-601 et seq., the individual shall be liable for the income tax surcharge levied in subsection (a) of this section.~~

~~(2) The surcharge shall be computed on the tax liability that would have been due had the income tax exemption of § 26-52-601 et seq. not been available.~~

~~(3) The income tax exemption of § 26-52-601 et seq. shall not apply to the income tax surcharge levied in subsection (a) of this section.~~

~~(c) The revenues derived from the additional tax imposed by this section shall be credited to the General Revenue Fund Account of the State Apportionment Fund, there to be distributed with the other gross general revenue collections.~~

~~(d) As used in this section, "tax liability" means the taxes imposed pursuant to § 26-51-201 et seq., § 26-51-301, and § 26-51-302 [repealed] before the application of any tax credits.~~

~~(e) This section shall apply only to tax years beginning in calendar years 2003 and 2004.~~

SECTION 6. Arkansas Code § 26-51-301 is amended to read as follows to add gender-neutral terms:

26-51-301. Individuals exempt from taxation or qualifying for low-income tax credit.

(a) As used in this section:

(1) "Head of household" means the same as defined in 26 U.S.C. § 2(b), as in effect on January 1, 2011; and

(2) ~~"Qualifying widow or widower"~~ means the "surviving Spouse" ~~means the same~~ as defined in 26 U.S.C. § 2(a), as in effect on January 1, 2011.

(b)(1) Beginning with tax year 2010, the following taxpayers are exempt from state individual income tax:

(A) A single individual whose gross income is less than ten thousand six hundred eighty-two dollars (\$10,682) for any income year;

(B) A married couple filing jointly with one (1) or fewer dependents whose gross income is less than eighteen thousand twelve dollars (\$18,012) for any income year;

(C) A married couple filing jointly with two (2) or more dependents whose gross income is less than twenty-one thousand six hundred seventy-seven dollars (\$21,677) for any income year; and

(D) A head of household or ~~qualifying widow or widower~~ surviving spouse with one (1) or more dependents whose gross income is less than fifteen thousand one hundred eighty-five dollars (\$15,185) for any income year.

(2) Beginning with tax year 2011:

(A) A head of household or ~~qualifying widow or widower~~ surviving spouse with one (1) or fewer dependents whose gross income is less than the 2010 base rate of fifteen thousand one hundred eighty-five dollars (\$15,185) plus the yearly cost-of-living adjustment provided by subsection (e) of this section for any income year is exempt from state individual income tax; and

(B) A head of household or ~~qualifying widow or widower~~ surviving spouse with two (2) or more dependents whose gross income is less

than the 2010 base rate of eighteen thousand one hundred one dollars (\$18,101) plus the yearly cost-of-living adjustment provided by subsection (e) of this section for any income year is exempt from state individual income tax.

(c)(1) Beginning with tax year 2010, the following taxpayers are eligible for a low-income tax credit:

(A) A single individual whose gross income for the taxable year is ten thousand six hundred eighty-two dollars (\$10,682) or more but less than fourteen thousand dollars (\$14,000);

(B) A married couple filing jointly with one (1) or fewer dependents whose gross income for the taxable year is eighteen thousand twelve dollars (\$18,012) or more but less than twenty-two thousand four hundred dollars (\$22,400);

(C) A married couple filing jointly with two (2) or more dependents whose gross income for the taxable year is twenty-one thousand six hundred seventy-seven dollars (\$21,677) or more but less than twenty-seven thousand eight hundred dollars (\$27,800); and

(D) A head of household or a ~~qualifying widow or widower~~ surviving spouse with one (1) or more dependents whose gross income for the taxable year is fifteen thousand one hundred eighty-five dollars (\$15,185) or more but less than nineteen thousand six hundred dollars (\$19,600).

(2) Beginning with tax year 2011:

(A) A head of household or a ~~qualifying widow or widower~~ surviving spouse with one (1) or fewer dependents whose gross income for the taxable year is more than the 2010 base rate of fifteen thousand one hundred eighty-five dollars (\$15,185) plus the cost-of-living adjustment provided by subsection (e) of this section but less than the 2010 base rate of nineteen thousand six hundred dollars (\$19,600) plus the cost-of-living adjustment provided by subsection (e) of this section is eligible for a low-income tax credit; and

(B) A head of household or a ~~qualifying widow or widower~~ surviving spouse with two (2) or more dependents whose gross income for the taxable year is more than the 2010 base rate of eighteen thousand one hundred one dollars (\$18,101) plus the cost-of-living adjustment provided by subsection (e) of this section but less than the 2010 base rate of twenty-two thousand two hundred dollars (\$22,200) plus the cost-of-living adjustment

provided by subsection (e) of this section is eligible for a low-income tax credit.

(d)(1) For income tax year 2010, the low-income tax credit in subdivision (c)(1) of this section shall be determined in accordance with the tables below, based upon the taxpayer's filing status:

Single Taxpayer

From	Less Than	Credit
\$10,682	\$10,700	\$133
\$10,701	\$10,800	\$129
\$10,801	\$10,900	\$125
\$10,901	\$11,000	\$121
\$11,001	\$11,100	\$117
\$11,101	\$11,200	\$113
\$11,201	\$11,300	\$109
\$11,301	\$11,400	\$105
\$11,401	\$11,500	\$101
\$11,501	\$11,600	\$97
\$11,601	\$11,700	\$93
\$11,701	\$11,800	\$89
\$11,801	\$11,900	\$85
\$11,901	\$12,000	\$81
\$12,001	\$12,100	\$77
\$12,101	\$12,200	\$73
\$12,201	\$12,300	\$69
\$12,301	\$12,400	\$65
\$12,401	\$12,500	\$61
\$12,501	\$12,600	\$57
\$12,601	\$12,700	\$53
\$12,701	\$12,800	\$49
\$12,801	\$12,900	\$45
\$12,901	\$13,000	\$41
\$13,001	\$13,100	\$37
\$13,101	\$13,200	\$33
\$13,201	\$13,300	\$29
\$13,301	\$13,400	\$25
\$13,401	\$13,500	\$21

\$13,501	\$13,600	\$17
\$13,601	\$13,700	\$13
\$13,701	\$13,800	\$9
\$13,801	\$13,900	\$5
\$13,901	\$14,000	\$1

Married Filing Jointly With One (1) or Fewer Dependents

From	Less Than	Credit
\$18,012	\$18,100	\$302
\$18,101	\$18,200	\$295
\$18,201	\$18,300	\$288
\$18,301	\$18,400	\$281
\$18,401	\$18,500	\$274
\$18,501	\$18,600	\$267
\$18,601	\$18,700	\$260
\$18,701	\$18,800	\$253
\$18,801	\$18,900	\$246
\$18,901	\$19,000	\$239
\$19,001	\$19,100	\$232
\$19,101	\$19,200	\$225
\$19,201	\$19,300	\$218
\$19,301	\$19,400	\$211
\$19,401	\$19,500	\$204
\$19,501	\$19,600	\$197
\$19,601	\$19,700	\$190
\$19,701	\$19,800	\$183
\$19,801	\$19,900	\$176
\$19,901	\$20,000	\$169
\$20,001	\$20,100	\$162
\$20,101	\$20,200	\$155
\$20,201	\$20,300	\$148
\$20,301	\$20,400	\$141
\$20,401	\$20,500	\$134
\$20,501	\$20,600	\$127
\$20,601	\$20,700	\$120
\$20,701	\$20,800	\$113

\$20,801	\$20,900	\$106
\$20,901	\$21,000	\$99
\$21,001	\$21,100	\$92
\$21,101	\$21,200	\$85
\$21,201	\$21,300	\$78
\$21,301	\$21,400	\$71
\$21,401	\$21,500	\$64
\$21,501	\$21,600	\$57
\$21,601	\$21,700	\$50
\$21,701	\$21,800	\$43
\$21,801	\$21,900	\$36
\$21,901	\$22,000	\$29
\$22,001	\$22,100	\$22
\$22,101	\$22,200	\$15
\$22,201	\$22,300	\$8
\$22,301	\$22,400	\$1

Married Filing Jointly With Two (2) or More Dependents

From	Less Than	Credit
\$21,677	\$21,700	\$432
\$21,701	\$21,800	\$425
\$21,801	\$21,900	\$418
\$21,901	\$22,000	\$411
\$22,001	\$22,100	\$404
\$22,101	\$22,200	\$397
\$22,201	\$22,300	\$390
\$22,301	\$22,400	\$383
\$22,401	\$22,500	\$376
\$22,501	\$22,600	\$369
\$22,601	\$22,700	\$362
\$22,701	\$22,800	\$355
\$22,801	\$22,900	\$348
\$22,901	\$23,000	\$341
\$23,001	\$23,100	\$334
\$23,101	\$23,200	\$327
\$23,201	\$23,300	\$320

\$23,301	\$23,400	\$313
\$23,401	\$23,500	\$306
\$23,501	\$23,600	\$299
\$23,601	\$23,700	\$292
\$23,701	\$23,800	\$285
\$23,801	\$23,900	\$278
\$23,901	\$24,000	\$271
\$24,001	\$24,100	\$264
\$24,101	\$24,200	\$257
\$24,201	\$24,300	\$250
\$24,301	\$24,400	\$243
\$24,401	\$24,500	\$236
\$24,501	\$24,600	\$229
\$24,601	\$24,700	\$222
\$24,701	\$24,800	\$215
\$24,801	\$24,900	\$208
\$24,901	\$25,000	\$201
\$25,001	\$25,100	\$194
\$25,101	\$25,200	\$187
\$25,201	\$25,300	\$180
\$25,301	\$25,400	\$173
\$25,401	\$25,500	\$166
\$25,501	\$25,600	\$159
\$25,601	\$25,700	\$152
\$25,701	\$25,800	\$145
\$25,801	\$25,900	\$138
\$25,901	\$26,000	\$131
\$26,001	\$26,100	\$124
\$26,101	\$26,200	\$117
\$26,201	\$26,300	\$110
\$26,301	\$26,400	\$103
\$26,401	\$26,500	\$96
\$26,501	\$26,600	\$89
\$26,601	\$26,700	\$82
\$26,701	\$26,800	\$75
\$26,801	\$26,900	\$68

\$26,901	\$27,000	\$61
\$27,001	\$27,100	\$54
\$27,101	\$27,200	\$47
\$27,201	\$27,300	\$40
\$27,301	\$27,400	\$33
\$27,401	\$27,500	\$26
\$27,501	\$27,600	\$19
\$27,601	\$27,700	\$12
\$27,701	\$27,800	\$5

~~Head of Household/Qualifying Widow or Widower~~ Head of Household or Surviving Spouse With One (1) or More Dependents for Tax Year 2010 and with One (1) or Fewer Dependents Beginning with Tax Year 2011

From	Less Than	Credit
\$15,185	\$15,200	\$270
\$15,201	\$15,300	\$264
\$15,301	\$15,400	\$258
\$15,401	\$15,500	\$252
\$15,501	\$15,600	\$246
\$15,601	\$15,700	\$240
\$15,701	\$15,800	\$234
\$15,801	\$15,900	\$228
\$15,901	\$16,000	\$222
\$16,001	\$16,100	\$216
\$16,101	\$16,200	\$210
\$16,201	\$16,300	\$204
\$16,301	\$16,400	\$198
\$16,401	\$16,500	\$192
\$16,501	\$16,600	\$186
\$16,601	\$16,700	\$180
\$16,701	\$16,800	\$174
\$16,801	\$16,900	\$168
\$16,901	\$17,000	\$162
\$17,001	\$17,100	\$156
\$17,101	\$17,200	\$150
\$17,201	\$17,300	\$144

\$17,301	\$17,400	\$138
\$17,401	\$17,500	\$132
\$17,501	\$17,600	\$126
\$17,601	\$17,700	\$120
\$17,701	\$17,800	\$114
\$17,801	\$17,900	\$108
\$17,901	\$18,000	\$102
\$18,001	\$18,100	\$96
\$18,101	\$18,200	\$90
\$18,201	\$18,300	\$84
\$18,301	\$18,400	\$78
\$18,401	\$18,500	\$72
\$18,501	\$18,600	\$66
\$18,601	\$18,700	\$60
\$18,701	\$18,800	\$54
\$18,801	\$18,900	\$48
\$18,901	\$19,000	\$42
\$19,001	\$19,100	\$36
\$19,101	\$19,200	\$30
\$19,201	\$19,300	\$24
\$19,301	\$19,400	\$18
\$19,401	\$19,500	\$12
\$19,501	\$19,600	\$6

(2) For income tax year 2011, the low-income tax credit in subdivision (c)(2)(B) of this section shall be determined using the 2010 base-year table below and adding the yearly cost-of-living adjustment provided in subsection (e) of this section:

~~Head of Household/Qualifying Widow or Widower~~ Head of Household or Surviving Spouse With Two (2) or More Dependents

From	Less Than	Credit
\$18,101	\$18,200	\$365
\$18,201	\$18,300	\$356
\$18,301	\$18,400	\$347
\$18,401	\$18,500	\$338
\$18,501	\$18,600	\$329
\$18,601	\$18,700	\$320

\$18,701	\$18,800	\$311
\$18,801	\$18,900	\$302
\$18,901	\$19,000	\$293
\$19,001	\$19,100	\$284
\$19,101	\$19,200	\$275
\$19,201	\$19,300	\$266
\$19,301	\$19,400	\$257
\$19,401	\$19,500	\$248
\$19,501	\$19,600	\$239
\$19,601	\$19,700	\$230
\$19,701	\$19,800	\$221
\$19,801	\$19,900	\$212
\$19,901	\$20,000	\$203
\$20,001	\$20,100	\$194
\$20,101	\$20,200	\$185
\$20,201	\$20,300	\$176
\$20,301	\$20,400	\$167
\$20,401	\$20,500	\$158
\$20,501	\$20,600	\$149
\$20,601	\$20,700	\$140
\$20,701	\$20,800	\$131
\$20,801	\$20,900	\$122
\$20,901	\$21,000	\$113
\$21,001	\$21,100	\$104
\$21,101	\$21,200	\$95
\$21,201	\$21,300	\$86
\$21,301	\$21,400	\$77
\$21,401	\$21,500	\$68
\$21,501	\$21,600	\$59
\$21,601	\$21,700	\$50
\$21,701	\$21,800	\$41
\$21,801	\$21,900	\$32
\$21,901	\$22,000	\$23
\$22,001	\$22,100	\$14
\$22,101	\$22,200	\$5

(e)(1) For tax years beginning on or after January 1, 2010, for

purposes of determining the exemptions from income tax in subsection (b) of this section and determining eligibility for the low-income tax credit in this section, the gross income amounts in subsections (b) and (c) of this section shall be adjusted annually by the cost-of-living adjustment for the current calendar year, rounded to the nearest whole dollar.

(2) For purposes of this subsection, the cost-of-living adjustment for any calendar year is the percentage, if any, not to exceed three percent (3%) by which the Consumer Price Index for the current calendar year exceeds the Consumer Price Index for the preceding calendar year.

(3) The Consumer Price Index for any calendar year is the average of the Consumer Price Index as of the close of the twelve-month period ending on August 31 of that calendar year.

(4) As used in this subsection, "Consumer Price Index" means the last Consumer Price Index for All Urban Consumers published by the United States Department of Labor.

(f) For tax years beginning on or after January 1, 2010, following the cost-of-living adjustment for the Consumer Price Index as provided in subsection (e) of this section, the low-income tax credit in this section and the gross income limitations outlined in the tables in subsection (d) of this section shall be adjusted annually using the following method:

(1) For a single individual, the amount of the low-income tax credit allowable shall be eighty percent (80%) of the income tax due upon the amount of gross income in subdivision (c)(1)(A) of this section, indexed as provided in subsection (e) of this section, and reduced, but not below zero dollars (\$0.00), by four dollars (\$4.00) for each one hundred dollars (\$100), or fraction thereof, that the taxpayer's gross income exceeds the indexed amount;

(2) For a married couple filing jointly with one (1) or fewer dependents, the amount of the low-income tax credit allowable shall be eighty percent (80%) of the income tax due upon the amount of gross income in subdivision (c)(1)(B) of this section, indexed as provided in subsection (e) of this section, and reduced, but not below zero dollars (\$0.00), by seven dollars (\$7.00) for each one hundred dollars (\$100), or fraction thereof, that the taxpayer's gross income exceeds the indexed amount;

(3) For a married couple filing jointly with two (2) or more dependents, the amount of the low-income tax credit allowable shall be eighty

percent (80%) of the income tax due upon the amount of gross income in subdivision (c)(1)(C) of this section, indexed as provided in subsection (e) of this section, and reduced, but not below zero dollars (\$0.00), by seven dollars (\$7.00) for each one hundred dollars (\$100), or fraction thereof, that the taxpayer's gross income exceeds the indexed amount;

(4) For a head of household or ~~qualifying widow or widower~~ surviving spouse with one (1) or more dependents, the amount of the low-income tax credit allowable shall be eighty percent (80%) of the income tax due upon the amount of gross income in subdivision (c)(1)(D) of this section, indexed as provided in subsection (e) of this section, reduced, but not below zero dollars (\$0.00), by six dollars (\$6.00) for each one hundred dollars (\$100), or fraction thereof, that the taxpayer's gross income exceeds the indexed amount; or

(5) Beginning with tax year 2011:

(A) For a head of household or ~~qualifying widow or widower~~ surviving spouse with one (1) or fewer dependents, the amount of the low-income tax credit allowable shall be eighty percent (80%) of the income tax due upon the amount of gross income in subdivision (c)(2)(A) of this section, indexed as provided in subsection (e) of this section, reduced, but not below zero dollars (\$0.00), by six dollars (\$6.00) for each one hundred dollars (\$100), or fraction thereof, that the taxpayer's gross income exceeds the indexed amount; or

(B) For a head of household or ~~qualifying widow or widower~~ surviving spouse with two (2) or more dependents, the amount of the low-income tax credit allowable shall be eighty percent (80%) of the income tax due upon the amount of gross income in subdivision (c)(2)(B) of this section, indexed as provided in subsection (e) of this section, reduced, but not below zero dollars (\$0.00), by nine dollars (\$9.00) for each one hundred dollars (\$100), or fraction thereof, that the taxpayer's gross income exceeds the indexed amount.

(g) For the purpose of determining eligibility for the low-income tax credit in this section, income from all sources shall be used in determining the gross income of the taxpayer regardless of whether the income is taxable in Arkansas.

(h) A taxpayer is not eligible for the low-income tax credit in this section if the taxpayer claims an exemption in § 26-51-306 or § 26-51-307, or

if the taxpayer itemizes deductions.

SECTION 7. Arkansas Code § 26-51-501(a), concerning personal income tax credits, is amended to read as follows to remove an unused defined term and to conform the language to gender-neutral terms:

(a) There shall be deducted from the tax after the tax ~~shall have~~ has been computed as set forth in the Income Tax Act of 1929, § 26-51-101 et seq., a personal tax credit as follows:

(1)(A) For a single individual, the adjusted individual credit.

(B) However, a taxpayer who was blind or deaf at any time during the income year shall be entitled to an additional tax credit of twenty dollars (\$20.00).

(C) A single individual who is deaf-blind shall be entitled to an additional tax credit of forty dollars (\$40.00).

(D) A single individual of sixty-five (65) years of age or older shall be entitled to an additional tax credit of twenty dollars (\$20.00);

(2)(A)(i)(a) For the head of household, surviving spouse, or ~~a married individual living with husband or wife~~ married spouses living together, the adjusted joint credit.

(b) ~~A husband and wife~~ Spouses living together and filing either jointly or separately on the same income tax form shall receive only one (1) adjusted joint credit against their aggregate tax.

(ii) Subdivision (a)(2)(A)(i) of this section shall apply if the Secretary of the Department of Finance and Administration continues to provide a tax return on which ~~a husband and wife~~ spouses can elect to file jointly or separately on the same return.

(B) However, in the event that ~~either of the husband or wife shall be~~ spouses are sixty-five (65) years of age or older, each ~~of them~~ spouse who is sixty-five (65) years of age or older shall be entitled to an additional tax credit of twenty dollars (\$20.00).

(C) However, ~~any husband or wife~~ a spouse filing a separate return on a separate tax form shall receive the adjusted individual credit on each return so filed, but if the ~~husband or wife~~ spouse is sixty-five (65) years of age or older, each of them who is sixty-five (65) years of age or older shall be entitled to an additional tax credit of twenty dollars

(\$20.00).

(D) "Head of household" means the same as defined in 26 U.S.C. § 2(b), as in effect on January 1, 2001.

(E) "Surviving spouse" means the same as defined in 26 U.S.C. § 2(a), as in effect on January 1, 2001;

(3)(A) For each individual, other than ~~husband or wife~~ a spouse, who has a gross income for the tax year of less than three thousand dollars (\$3,000), who has not filed a joint return with his or her spouse for the taxable year, and who is dependent upon and receives his or her chief support from the taxpayer, the adjusted individual credit.

(B)(i) As used in subdivision (a)(3)(A) of this section, "dependent" means the same as defined in 26 U.S.C. § 152, as in effect on January 1, 2005.

(ii) "Dependent" does not include any individual who is a citizen or subject of a foreign country unless that individual is a resident of the United States or a country contiguous to the United States.

~~(C)(i) As used in subdivision (a)(3)(B) of this section, "brother" and "sister" include a brother or sister by half blood.~~

~~(ii) For the purpose of determining whether any of the foregoing relationships exist, a legally adopted child of a person shall be considered a child of that person by blood;~~

(4) In the case of a fiduciary:

(A) If taxable under § 26-51-203(a)(1), the adjusted individual credit;

(B) If taxable under § 26-51-203(a)(2), the same tax credit as would be allowed the deceased if living; and

(C) If taxable under § 26-51-203(a)(3), the tax credit to which the beneficiary would be entitled; and

(5) In the case of a nonresident taxpayer, the taxpayer shall be entitled to that proportion of the tax credit granted by the Income Tax Act of 1929, § 26-51-101 et seq., that the gross income within the state bears to the entire gross income wherever earned.

SECTION 8. Arkansas Code § 26-51-506(b)(2), concerning the income tax credit for waste reduction, reuse, or recycling equipment, is amended to read as follows to conform a defined term to its use in the statute:

(2) "Equipment used to service waste reduction, reuse, or recycling equipment" means expenditures, machinery, or equipment that keeps existing machinery or equipment in running order by providing repair, maintenance, adjustment, inspection, or supplies;

SECTION 9. Arkansas Code § 26-51-801(a), concerning income tax returns by individuals, is amended to read as follows to delete a reference to a repealed section and to correct a reference to a defined term:

(a) Every person owning property or doing business in the State of Arkansas shall file a return with the Secretary of the Department of Finance and Administration showing his or her gross income and the deductions or credits allowed by §§ 26-51-301, ~~§ 26-51-302 [repealed]~~, and § 26-51-436 if he or she has a gross income of:

(1) Three thousand nine hundred ninety-nine dollars (\$3,999) if married and not filing jointly or married but living apart from the spouse at the end of the income year or on the date the spouse died;

(2) Seven thousand eight hundred dollars (\$7,800) if single and under sixty-five (65) years of age;

(3) Nine thousand three hundred dollars (\$9,300) if single and sixty-five (65) years of age or over;

(4) Twelve thousand one hundred dollars (\$12,100) if head of household and under sixty-five (65) years of age;

(5) Thirteen thousand dollars (\$13,000) if head of household and sixty-five (65) years of age or over;

(6) Fifteen thousand five hundred dollars (\$15,500) if married, filing jointly, and both spouses are under sixty-five (65) years of age;

(7) Fifteen thousand six hundred dollars (\$15,600) if married, filing jointly, and one (1) spouse is sixty-five (65) years of age or older;

(8) Sixteen thousand two hundred dollars (\$16,200) if married, filing jointly, and both spouses are sixty-five (65) years of age or over;

(9) Fifteen thousand five hundred dollars (\$15,500) if a ~~qualifying widow or widower~~ surviving spouse with a dependent child and under sixty-five (65) years of age; or

(10) Sixteen thousand dollars (\$16,000) if a ~~qualifying widow or widower~~ surviving spouse with a dependent child and sixty-five (65) years of age or over.

SECTION 10. Arkansas Code § 26-51-801(d)(4), concerning the definitions used in relation to income tax returns by individuals, is amended to read as follows to correct a defined term:

(4) ~~“Qualifying widow or widower with a dependent child” means the “surviving~~ “Surviving spouse” means the same as defined in 26 U.S.C. § 2(a), as in effect on January 1, 2005.

SECTION 11. Arkansas Code § 26-51-902(8), concerning the definitions used under the Arkansas Income Tax Withholding Act of 1965, is repealed to eliminate an unused definition.

~~(8) “Payroll period” means a period for which a payment of wages is made to the employee by the employer;~~

SECTION 12. Arkansas Code § 26-51-1503(3), concerning the definitions to be used under the Arkansas Private Wetland and Riparian Zone Creation, Restoration, and Conservation Tax Credits Act, is amended to remove substantive law from a definition to be reenacted in a separate statute:

(3) “Committee” means the Private Wetland and Riparian Zone Creation, Restoration, and Conservation Committee, ~~which is a committee made up of:~~

~~(A) The secretary, director, or their designees, of:~~

~~(i) The Arkansas State Game and Fish Commission;~~

~~(ii) The Department of Finance and Administration;~~

~~(iii) The Division of Arkansas Heritage; and~~

~~(iv) The Division of Environmental Quality; and~~

~~(B)(i) Two (2) public members with expertise in wetlands and riparian zone ecology appointed by the Arkansas Natural Resources Commission.~~

~~(ii) In appointing public members, the Arkansas Natural Resources Commission should consider the wide variety of interests in wetlands and riparian zones;~~

SECTION 13. Arkansas Code § 26-51-1506 is amended to read as follows to reenact the creation of the Private Wetland and Riparian Zone Creation, Restoration, and Conservation Committee:

(a) There is created the Private Wetland and Riparian Zone Creation, Restoration, and Conservation Committee, which is made up of:

(1) The secretary, director, or their designees, of:

(A) The Arkansas State Game and Fish Commission;

(B) The Department of Finance and Administration;

(C) The Division of Arkansas Heritage; and

(D) The Division of Environmental Quality; and

(2)(A) Two (2) public members with expertise in wetlands and riparian zone ecology appointed by the Arkansas Natural Resources Commission.

(B) In appointing public members, the Arkansas Natural Resources Commission should consider the wide variety of interests in wetlands and riparian zones.

~~(a)(1)(b)(1)~~ The Arkansas Natural Resources Commission is charged with the responsibility of promulgating and administering rules related to the creation, restoration, and conservation of wetlands and riparian zones with the intent of qualifying for the tax credits provided for in this subchapter.

(2) Prior to adoption of any rules under this subchapter, the ~~commission~~ Arkansas Natural Resources Commission shall obtain comments on the proposed rules from the ~~Private Wetland and Riparian Zone Creation, Restoration, and Conservation Committee~~ committee.

~~(b)(1)(c)(1)~~ The ~~commission~~ Arkansas Natural Resources Commission may charge a reasonable application fee for the processing of tax credit applications.

(2) All fees collected shall be deposited into the Arkansas Water Development Fund.

SECTION 14. Arkansas Code Title 26, Chapter 55, Subchapter 8, is repealed as obsolete.

~~Subchapter 8 — Unlicensed Out of State Trucks~~

~~26-55-801. Purpose.~~

~~The purpose of this subchapter is to afford service station operators throughout the State of Arkansas an equal opportunity in the sale of motor fuel and special motor fuel to out of state truckers and to provide a means for payment of the fuel tax.~~

~~26-55-802.— Failure to comply.~~

~~It shall be prima facie evidence of failure to comply with and intent to evade the provisions of this subchapter when any person or operator of an unlicensed motor fuel user or special motor fuel user out-of-state truck who has not complied with this subchapter is traveling upon a state highway within fifty (50) miles of the state line in the direction of exit of the State of Arkansas. The person or operator shall be liable for the penalty and interest set out in § 26-55-716.~~

~~26-55-803.— Entry slips required— Computation of tax.~~

~~(a) All licensed motor fuel user and distillate special fuel user out-of-state trucks with a gross loaded weight of twenty-six thousand one pounds (26,001 lbs.) or more entering the State of Arkansas at the point of entry shall secure a copy of an entry slip from the Secretary of the Department of Finance and Administration or his or her authorized agent or employee.~~

~~(b) The entry slip shall be signed by the secretary or his or her authorized agent or employee, and the entry slip shall also be signed by the driver of the vehicle.~~

~~(c) The entry slip shall contain the following information:~~

~~(1) Name and address of the owner or the operator of the vehicle;~~

~~(2) State of registration;~~

~~(3) License number;~~

~~(4) Speedometer reading;~~

~~(5) Destination and point of leaving state; and~~

~~(6) Description of vehicle.~~

~~(d) The entry slip shall remain in the vehicle for the remainder of the trip over the highways of this state and shall be produced for the inspection of the secretary or his or her authorized employee or representative, at any point within the state and shall also be produced at the port of exit to the secretary or his or her authorized agent or employee, for determination of any fuel taxes due the state.~~

~~(e)(1) For the purpose of determining the amount the interstate user owes the State of Arkansas for tax on motor fuel or distillate special fuel used in this state as provided in this section, the number of gallons of motor fuel or distillate special fuel used in this state shall be determined~~

~~by an assessment based on the following mileage factors per gallon of motor fuel or distillate special fuel as compared to the appropriate class of vehicle set out in subdivision (e)(2) of this section.~~

~~(2) For the purposes of this section:~~

~~(A) All automobiles, except buses, with a capacity of less than eight (8) passengers shall be deemed to be Class A vehicles;~~

~~(B) All truck type vehicles, except buses, with a factory rating and gross loaded weight of less than twenty two thousand five hundred pounds (22,500 lbs.), shall be deemed to be Class B vehicles;~~

~~(C) All other vehicles except buses, with a factory rating in excess of twenty two thousand five hundred pounds (22,500 lbs.), or whose total gross loaded weight exceeds twenty two thousand five hundred pounds (22,500 lbs.) shall be deemed to be Class C vehicles; and~~

~~(D) All buses rated and licensed as such shall be deemed to be Class D vehicles.~~

~~(3) The mileage factor per gallon of motor fuel or distillate special fuel for:~~

~~(A) Class A vehicles shall be twelve (12) miles;~~

~~(B) Class B vehicles shall be eight (8) miles;~~

~~(C) Class C vehicles shall be five (5) miles; and~~

~~(D) Class D vehicles shall be six (6) miles.~~

~~(f) The motor fuel tax and distillate special fuel tax levied by this state shall be paid upon all such fuel used to propel out-of-state trucks upon the highways of this state.~~

~~26-55-804. Payment of tax.~~

~~The tax shall be paid by the owner or operator of the truck or vehicle in either of the following ways, at the option of the owner or operator:~~

~~(1)(A) By the purchase of a sufficient amount or quantity of fuel from a retail dealer within the State of Arkansas to propel the vehicle the number of miles which the vehicle travels upon the highways of this state.~~

~~(B) At the time of the purchase of the fuel, the owner or operator of the vehicle shall obtain from the dealer from whom purchased an invoice or sales ticket, or forms approved by the Secretary of the Department of Finance and Administration, which shall contain the name and address of~~

~~the seller of the fuel, the name and address of the purchaser, the date of purchase, the amount or quantity and kind of fuel purchased, and the invoice or sales ticket shall remain in the vehicle for the remainder of the trip over the highways of this state.~~

~~(C) The invoice or sales ticket shall be preserved and retained by the owner or operator for not less than three (3) years and shall be produced for the inspection and examination of the secretary or his or her authorized agent or employee at any reasonable time and place, either inside or outside this state, upon proper demand for the invoice or sales ticket; or~~

~~(2)(A) By the payment of the amount of tax which would be due upon a sufficient quantity of fuel to propel the vehicle over the highways of this state to the secretary or to his or her agent, representative, or employee.~~

~~(B) At the time of payment of the tax, the secretary or his or her employee or representative shall issue to the person paying the tax a receipt showing the amount of tax paid, the name and address of the owner or operator of the vehicle, a description of the vehicle, including the license number and state of registration, the point at which the vehicle entered upon the highways of this state, the destination and the place where the vehicle is to leave the highways of this state, and any other information which the secretary may require, which receipt shall be signed by the secretary or his or her agent or representative.~~

~~(C) The receipt shall remain in the vehicle for the remainder of the trip over the highways of this state and thereafter shall be preserved and retained by the owner or operator for a period of not less than three (3) years, and shall be produced for the inspection of the secretary or his or her authorized agent or representative, at any reasonable time and place either within or without this state upon proper demand.~~

SECTION 15. Arkansas Code Title 26, Chapter 55, Subchapter 13, is repealed as duplicative having been dual-codified at §§ 26-56-701 – 26-56-708.

~~Subchapter 13 — Refunds — Motor Fuels Used by Fire Departments~~

~~26-55-1301. Definitions.~~

~~As used in this subchapter:~~

~~(1) "Distillate special fuel" means distillate special fuel as defined in § 26-56-102;~~

~~(2)(A) "Fire truck" means fire department-owned firefighting apparatus used to respond to fire alarms, including, but not limited to, tanker trucks, pumper trucks, and equipment trucks.~~

~~(B) "Fire truck" does not include passenger vehicles and ambulances; and~~

~~(3) "Motor fuel" means motor fuel as defined in § 26-55-202.~~

~~26-55-1302. Applicability.~~

~~Any fire department that purchases motor fuel or distillate special fuel for use in a fire truck shall be entitled to a refund of the motor fuel tax or distillate special fuel tax paid.~~

~~26-55-1303. Refund permit.~~

~~(a) No fire department shall secure a refund of tax under this subchapter unless the fire department is the holder of an unrevoked permit which was issued by the Secretary of the Department of Finance and Administration before the purchase of the motor fuel or the distillate special fuel.~~

~~(b) The permit shall be numbered and shall entitle the fire department to make an annual application for refund under this subchapter.~~

~~(c) An application for the permit shall be filed with the secretary on forms prescribed by the secretary and shall contain such information as the secretary may require.~~

~~(d) No person shall knowingly make a false or fraudulent statement in an application for a refund permit or in an application for a refund of any taxes under this subchapter.~~

~~(e) The refund permit of any person who violates any provision of this subchapter shall be revoked by the secretary and shall not be reissued until two (2) years have elapsed after the date of the revocation.~~

~~26-55-1304. Applications for refunds.~~

~~(a) The refund permit holder shall file with the Secretary of the Department of Finance and Administration an application for refund on forms furnished by the secretary which shall include, but not be limited to, the~~

following information:

- ~~(1) The quantity of motor fuel and distillate special fuel purchased for use in its fire trucks;~~
 - ~~(2) A statement that the motor fuel and distillate special fuel have been used exclusively in its fire trucks;~~
 - ~~(3) The amount of the tax claimed to be refunded;~~
 - ~~(4) The name, post office, and resident address of the fire department;~~
 - ~~(5) The name and address of the sellers from whom the motor fuel and distillate special fuel were purchased; and~~
 - ~~(6) Other information as the secretary shall require.~~
- ~~(b)(1) An application for a refund shall be accompanied by a paid receipt for the purchase price of motor fuel and distillate special fuel on which the refund is sought.~~
- ~~(2) The application shall be notarized and made to the secretary.~~
- ~~(c) All claims for a refund under the provisions of this subchapter shall be subject to the Arkansas Tax Procedure Act, § 26-18-101 et seq.~~
- ~~(d)(1) The secretary shall promulgate a rule establishing the annual date for claiming a refund pursuant to this subchapter.~~
- ~~(2) A refund shall only be granted for a purchase of motor fuel and distillate special fuel made within one (1) calendar year of the annual date for claiming the refund.~~

~~26-55-1305. Refund paid from Gasoline Tax Refund Fund.~~

- ~~(a) All valid claims for refund of the motor fuel tax under the provisions of this subchapter shall be paid from the Gasoline Tax Refund Fund and shall be subject to the same conditions and limitations as provided under § 26-55-407, except that all the motor fuels covered by the provisions of this subchapter shall be subject to the full refund of the motor fuel taxes paid.~~
- ~~(b)(1)(A) The Secretary of the Department of Finance and Administration shall annually estimate the amount necessary to pay refunds to the users of distillate special fuel who are entitled to refunds with respect to distillate special fuel taxes paid in this state as authorized in this subchapter.~~

~~(B) Upon certification by the secretary, the Treasurer of State shall transfer from the gross amount of distillate special fuel taxes collected each month the amount so certified and shall credit the amount to the fund.~~

~~(2) The transfers from the distillate special fuel taxes collected each month shall be made after deducting allowances for bad checks or claims but before making any other distribution as provided by law.~~

~~(c)(1) All valid claims for refund of the distillate special fuel tax under the provisions of this subchapter shall be paid from the fund.~~

~~(2) The refund for purchases of distillate special fuel tax shall not include the moneys which have been pledged to the repayment of highway bonds under § 26-56-201.~~

~~(d) All warrants drawn against the fund that are not presented for payment within one (1) year after issuance shall be void.~~

~~(e) Neither the secretary nor any member or employee of the Department of Finance and Administration shall be held personally liable for making any refund by reason of a fraudulent claim filed as a basis for the refund.~~

~~26-55-1306. Records — Inspection.~~

~~(a) The Secretary of the Department of Finance and Administration shall keep a permanent record by fire department of the amount of refund claimed and paid to each claimant.~~

~~(b) The records shall be open to public inspection.~~

~~26-55-1307. Construction.~~

~~Nothing in this subchapter shall be construed as an impairment of the obligation existing between the State of Arkansas and the holders of Arkansas state highway bonds, whether the bonds have already been issued or may be issued in the future.~~

~~26-55-1308. Authority of secretary.~~

~~The Secretary of the Department of Finance and Administration may make, amend, and enforce rules, subpoena witnesses and documents, administer oaths, and do and perform all other acts necessary to carry out the purpose and intent of this subchapter.~~

SECTION 16. Arkansas Code § 26-57-211(e)(1), concerning the payment, report, and remittance of taxes under the Arkansas Tobacco Products Tax Act of 1977 by a wholesaler, is amended to read as follows to repeal obsolete language:

(e)(1)(A) In computing the amount of tax due under this subchapter and any act supplemental to this subchapter, a wholesaler may deduct the cost of cigarette tax stamps and tobacco taxes lost through bad debts.

(B) Any deduction taken or refund paid attributable to bad debts shall not include interest.

~~(C) A bad debt incurred for a sale made before August 13, 1993, shall not be deducted.~~

~~(D)~~ A bad debt must be deducted within three (3) years of the date of the sale for which the debt was incurred.

~~(E)~~(D) If a deduction is taken for a bad debt and the taxpayer subsequently collects the debt in whole or in part, the tax on the amount so collected shall be paid and reported on the next return due after the collection.

SECTION 17. Arkansas Code § 26-57-253(a), concerning criminal actions and appeals under the Arkansas Tobacco Products Tax Act of 1977, is amended to read as follows to remove an obsolete reference:

(a) In all prosecutions in the district courts ~~and city courts or other courts of this state~~, the State of Arkansas shall have the same right of appeal to the circuit courts of this state and upon the same terms as the defendant now has under the law in misdemeanor cases.

SECTION 18. Arkansas Code § 26-57-259(c), concerning nonpreemption under the Arkansas Tobacco Products Tax Act of 1977, is amended to read as follows to correct an error and to ratify a codification decision made by the Arkansas Code Revision Commission:

(c) This subchapter and the rules of Arkansas Tobacco Control shall not be construed or interpreted so as to require a state, county, municipal, or other local authority to exhaust any administrative remedies through the board, including without limitation the right to seize and forward to the board the state permit of a vendor or retailer found to have illegally sold tobacco products, vapor products, alternative nicotine products, or e-liquid

products to a minor, provided that the vendor or retailer shall be given a hearing before the board at the board's next regularly scheduled meeting.

SECTION 19. Arkansas Code § 26-63-102(3)(B), concerning the definition of "gross receipts" or "gross proceeds" under the Arkansas Special Excise Taxes law, is amended to read as follows to correct a word choice:

(B) "Gross receipts" or "gross proceeds" does not include:

(i) A discount, including cash, term, or a coupon that is not reimbursed by a third party and that is allowed by a seller and taken by a purchaser on a sale;

(ii) Interest, financing, or a carrying charge from credit extended on the sale of tangible personal property or a taxable service, if the amount is separately stated on the invoice, bill of sale, or similar document given to the purchaser; ~~and~~ or

(iii) Any tax legally imposed directly on the consumer that is separately stated on the invoice, bill of sale, or similar document given to the purchaser;

SECTION 20. Arkansas Code § 26-63-404 is amended to read as follows to correct entity names:

26-63-404. Exemptions.

There is exempted from the tourism tax levied by this subchapter the following:

(1) Gross receipts or gross proceeds derived from the sale or rental of tangible personal property or taxable services to the Boy Scouts of America, chartered by the United States Congress in 1916, or the Girl Scouts of the United States of America, chartered by the United States Congress in 1950, or any of the scout councils in this state;

~~(2) Gross receipts or gross proceeds derived from the sale or rental of tangible personal property or taxable services to the Boys Clubs of America, chartered by the United States Congress in 1956, or any local councils or organizations of the Boys Clubs of America;~~

~~(3) Gross receipts or gross proceeds derived from the sale or rental of tangible personal property or taxable services to the Girls Clubs of America or any local council or organization of the Girls Clubs of America~~
Gross receipts or gross proceeds derived from the sale or rental of tangible

personal property or taxable services to the Boys and Girls Clubs of America or a local council or organization of the Boys and Girls Clubs of America; or

~~(4)~~(3) Gross receipts or gross proceeds derived from the sale or rental of tangible personal property or taxable services to 4-H Clubs clubs and FFA Clubs clubs in this state, to the Arkansas 4-H Foundation, Incorporated, the Arkansas FFA Foundation, and the Arkansas Division of the Future Farmers of America.

SECTION 21. DO NOT CODIFY. CONSTRUCTION AND LEGISLATIVE INTENT.

It is the intent of the General Assembly that:

(1) The enactment and adoption of this act shall not expressly or impliedly repeal an act passed during the regular session of the Ninety-Third General Assembly;

(2) To the extent that a conflict exists between an act of the regular session of the Ninety-Third General Assembly and this act:

(A) The act of the regular session of the Ninety-Third General Assembly shall be treated as a subsequent act passed by the General Assembly for the purposes of:

(i) Giving the act of the regular session of the Ninety-Third General Assembly its full force and effect; and

(ii) Amending or repealing the appropriate parts of the Arkansas Code of 1987; and

(B) Section 1-2-107 shall not apply; and

(3) This act shall make only technical, not substantive, changes to the Arkansas Code of 1987.

APPROVED: 3/25/21