

Stricken language would be deleted from and underlined language would be added to present law.
Act 532 of the Regular Session

State of Arkansas
94th General Assembly
Regular Session, 2023

As Engrossed: S4/3/23
A Bill

SENATE BILL 549

By: Senators J. Dismang, J. Boyd, J. Bryant, Caldwell, A. Clark, Crowell, B. Davis, Dees, J. Dotson, J. English, Flippo, Gilmore, K. Hammer, Hester, Hickey, Hill, Irvin, B. Johnson, M. Johnson, M. McKee, J. Payton, C. Penzo, J. Petty, Rice, Stone, G. Stubblefield, D. Sullivan, D. Wallace

By: Representatives Eaves, M. Shepherd, Achor, Andrews, Barker, Beaty Jr., Bentley, M. Berry, S. Berry, Brooks, K. Brown, M. Brown, Burkes, Joey Carr, Cavanaugh, C. Cooper, Cozart, Crawford, Dalby, Duffield, Eubanks, Evans, D. Ferguson, C. Fite, L. Fite, Fortner, Furman, Gazaway, Gonzales, Gramlich, Haak, Hawk, D. Hodges, G. Hodges, Holcomb, Hollowell, Jean, L. Johnson, Ladyman, Long, Lundstrum, Lynch, Maddox, Magie, McAlindon, McClure, M. McElroy, McGrew, B. McKenzie, McNair, S. Meeks, Miller, Milligan, J. Moore, K. Moore, Nicks, Painter, Pearce, Pilkington, Puryear, Ray, R. Scott Richardson, Richmond, Rose, Rye, Schulz, Steimel, Tosh, Underwood, Unger, Vaught, Walker, Wardlaw, Warren, Watson, Wing, Womack, Wooldridge, Wooten

For An Act To Be Entitled

AN ACT TO AMEND THE INCOME TAX LAWS; TO REDUCE THE INCOME TAX RATES APPLICABLE TO INDIVIDUALS, TRUSTS, ESTATES, AND CORPORATIONS; AND FOR OTHER PURPOSES.

Subtitle

TO REDUCE THE INCOME TAX RATES APPLICABLE TO INDIVIDUALS, TRUSTS, ESTATES, AND CORPORATIONS.

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

SECTION 1. Arkansas Code § 26-51-201(a)(2), concerning the income tax imposed on individuals, trusts, and estates, is amended to read as follows:

(2) For tax years beginning on or after January 1, 2023:

(A) Every resident, individual, trust, or estate having net income less than or equal to eighty-seven thousand dollars (\$87,000) shall determine the amount of income tax due under this subsection in



accordance with the table set forth below:

<u>From</u>	<u>Less Than or Equal To</u>	<u>Rate</u>
<u>\$0</u>	<u>\$5,099</u>	<u>0%</u>
<u>\$5,100</u>	<u>\$10,299</u>	<u>2%</u>
<u>\$10,300</u>	<u>\$14,699</u>	<u>3%</u>
<u>\$14,700</u>	<u>\$24,299</u>	<u>3.4%</u>
<u>\$24,300</u>	<u>\$87,000</u>	<u>4.7%</u>

(B) Every resident, individual, trust, or estate having net income greater than eighty-seven thousand dollars (\$87,000) shall determine the amount of income tax due under this subsection in accordance with the table set forth below:

<u>From</u>	<u>Less Than or Equal To</u>	<u>Rate</u>
<u>\$0</u>	<u>\$4,400</u>	<u>2%</u>
<u>\$4,401</u>	<u>\$8,800</u>	<u>4%</u>
<u>\$8,801 and above</u>		<u>4.7%</u>

(C) Every resident, individual, trust, or estate having net income greater than or equal to eighty-seven thousand one dollars (\$87,001) but not greater than ninety-one thousand three hundred dollars (\$91,300) shall reduce the amount of income tax due as determined under subdivision (a)(2)(B) of this section by deducting a bracket adjustment amount in accordance with the table set forth below:

<u>From</u>	<u>To</u>	<u>Bracket Adjustment Amount</u>
<u>\$87,001</u>	<u>\$87,100</u>	<u>\$430</u>
<u>\$87,101</u>	<u>\$87,200</u>	<u>\$420</u>
<u>\$87,201</u>	<u>\$87,300</u>	<u>\$410</u>
<u>\$87,301</u>	<u>\$87,400</u>	<u>\$400</u>
<u>\$87,401</u>	<u>\$87,500</u>	<u>\$390</u>
<u>\$87,501</u>	<u>\$87,600</u>	<u>\$380</u>
<u>\$87,601</u>	<u>\$87,700</u>	<u>\$370</u>
<u>\$87,701</u>	<u>\$87,800</u>	<u>\$360</u>
<u>\$87,801</u>	<u>\$87,900</u>	<u>\$350</u>
<u>\$87,901</u>	<u>\$88,000</u>	<u>\$340</u>
<u>\$88,001</u>	<u>\$88,100</u>	<u>\$330</u>
<u>\$88,101</u>	<u>\$88,200</u>	<u>\$320</u>
<u>\$88,201</u>	<u>\$88,300</u>	<u>\$310</u>
<u>\$88,301</u>	<u>\$88,400</u>	<u>\$300</u>

<u>\$88,401</u>	<u>\$88,500</u>	<u>\$290</u>
<u>\$88,501</u>	<u>\$88,600</u>	<u>\$280</u>
<u>\$88,601</u>	<u>\$88,700</u>	<u>\$270</u>
<u>\$88,701</u>	<u>\$88,800</u>	<u>\$260</u>
<u>\$88,801</u>	<u>\$88,900</u>	<u>\$250</u>
<u>\$88,901</u>	<u>\$89,000</u>	<u>\$240</u>
<u>\$89,001</u>	<u>\$89,100</u>	<u>\$230</u>
<u>\$89,101</u>	<u>\$89,200</u>	<u>\$220</u>
<u>\$89,201</u>	<u>\$89,300</u>	<u>\$210</u>
<u>\$89,301</u>	<u>\$89,400</u>	<u>\$200</u>
<u>\$89,401</u>	<u>\$89,500</u>	<u>\$190</u>
<u>\$89,501</u>	<u>\$89,600</u>	<u>\$180</u>
<u>\$89,601</u>	<u>\$89,700</u>	<u>\$170</u>
<u>\$89,701</u>	<u>\$89,800</u>	<u>\$160</u>
<u>\$89,801</u>	<u>\$89,900</u>	<u>\$150</u>
<u>\$89,901</u>	<u>\$90,000</u>	<u>\$140</u>
<u>\$90,001</u>	<u>\$90,100</u>	<u>\$130</u>
<u>\$90,101</u>	<u>\$90,200</u>	<u>\$120</u>
<u>\$90,201</u>	<u>\$90,300</u>	<u>\$110</u>
<u>\$90,301</u>	<u>\$90,400</u>	<u>\$100</u>
<u>\$90,401</u>	<u>\$90,500</u>	<u>\$90</u>
<u>\$90,501</u>	<u>\$90,600</u>	<u>\$80</u>
<u>\$90,601</u>	<u>\$90,700</u>	<u>\$70</u>
<u>\$90,701</u>	<u>\$90,800</u>	<u>\$60</u>
<u>\$90,801</u>	<u>\$90,900</u>	<u>\$50</u>
<u>\$90,901</u>	<u>\$91,000</u>	<u>\$40</u>
<u>\$91,001</u>	<u>\$91,100</u>	<u>\$30</u>
<u>\$91,101</u>	<u>\$91,200</u>	<u>\$20</u>
<u>\$91,201</u>	<u>\$91,300</u>	<u>\$10</u>
<u>\$91,301 and up</u>		<u>\$0</u>

(3) The tables set forth in ~~subdivision (a)(1)~~ subdivisions (a)(1) and (2) of this section shall be adjusted annually in accordance with the method set forth in subsection (d) of this section.

SECTION 2. Arkansas Code § 26-51-201(d)(1), concerning the income tax imposed on individuals, trusts, and estates, is amended to read as follows:

(d)(1) The Secretary of the Department of Finance and Administration shall prescribe annually ~~a table which~~ tables that shall apply in lieu of the ~~table~~ tables contained in subsection (a) of this section with respect to each succeeding taxable year. The secretary shall increase the minimum and maximum dollar amounts for each rate bracket, rounding to the nearest one hundred dollars (\$100), for which a tax is imposed under the table by the cost-of-living adjustment for each calendar year and by not changing the rate applicable to any rate bracket as adjusted.

SECTION 3. Arkansas Code § 26-51-205(a)(4), concerning the income tax imposed on domestic corporations, is amended to read as follows:

(4) For tax years beginning on or after January 1, 2023, every corporation organized under the laws of this state shall pay annually an income tax with respect to carrying on or doing business on the entire net income of the corporation, as now defined by the laws of this state, received by the corporation during the income year, on the following basis:

(A) On the first three thousand dollars (\$3,000) of net income or any part thereof, one percent (1%);

(B) On the next three thousand dollars (\$3,000) of net income or any part thereof, two percent (2%);

(C) On the next five thousand dollars (\$5,000) of net income or any part thereof, three percent (3%);

(D) On the next fourteen thousand dollars (\$14,000) of net income or any part thereof, five percent (5%); and

(E) On net income exceeding twenty-five thousand dollars (\$25,000), ~~five and three-tenths percent (5.3%)~~ five and one-tenths percent (5.1%).

SECTION 4. Arkansas Code § 26-51-205(b)(4), concerning the income tax imposed on foreign corporations, is amended to read as follows:

(4) For tax years beginning on or after January 1, 2023, every foreign corporation doing business within the jurisdiction of this state shall pay annually an income tax on the proportion of its entire net income as now defined by the income tax laws of this state, on the following basis:

(A) On the first three thousand dollars (\$3,000) of net income or any part thereof, one percent (1%);

(B) On the next three thousand dollars (\$3,000) of net income or any part thereof, two percent (2%);

(C) On the next five thousand dollars (\$5,000) of net income or any part thereof, three percent (3%);

(D) On the next fourteen thousand dollars (\$14,000) of net income or any part thereof, five percent (5%); and

(E) On net income exceeding twenty-five thousand dollars (\$25,000), ~~five and three tenths percent (5.3%)~~ five and one-tenths percent (5.1%).

/s/J. Dismang

APPROVED: 4/10/23