

State of Arkansas
95th General Assembly
Regular Session, 2025

A Bill

SENATE BILL 408

By: Senator B. Johnson
By: Representative Eaves

For An Act To Be Entitled

AN ACT TO PROVIDE AN INCOME TAX EXEMPTION FOR CERTAIN
PAYMENTS BY THE UNITED STATES DEPARTMENT OF
AGRICULTURE; AND FOR OTHER PURPOSES.

Subtitle

TO PROVIDE AN INCOME TAX EXEMPTION FOR
CERTAIN PAYMENTS BY THE UNITED STATES
DEPARTMENT OF AGRICULTURE.

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

SECTION 1. Arkansas Code § 26-51-316(a), concerning the income tax exemption allowed for disaster relief payments and rebates, is amended to read as follows:

(a) There is allowed an exemption from the income tax imposed under this chapter for:

(1) Payments made to a taxpayer by the United States Department of Agriculture under the Market Facilitation Program authorized by 15 U.S.C. § 714c, as it existed on January 1, 2020; ~~and~~

(2) Recovery rebates provided by the United States Department of the Treasury under Section 2201 of the Coronavirus Aid, Relief, and Economic Security Act, Pub. L. No. 116-136; and

(3) Payments made to a taxpayer by the United States Department of Agriculture under programs authorized by Division B, Title I, of the American Relief Act of 2025, Pub. L. No. 118-158.

SECTION 2. EFFECTIVE DATE. Section 1 of this act is effective for tax



years beginning on or after January 1, 2025.

APPROVED: 4/16/25