

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

INTERIM STUDY PROPOSAL 2009-010

State of Arkansas
87th General Assembly
Regular Session, 2009

A Bill

HOUSE BILL 1441

By: Representative Sample

Filed with: House Interim Committee on Revenue and Taxation
pursuant to A.C.A. §10-3-217.

For An Act To Be Entitled

AN ACT TO COMPREHENSIVELY REVIEW AND IMPROVE THE
INCOME TAX STRUCTURE OF THE STATE BY MAXIMIZING
THE BENEFIT TO TAXPAYERS UNDER THE CURRENT
ECONOMIC AND SOCIAL ENVIRONMENT; TO REQUIRE THE
DEPARTMENT OF FINANCE AND ADMINISTRATION TO
EXAMINE THE INCOME TAX LAWS AND MAKE
RECOMMENDATIONS FOR IMPROVEMENT; AND FOR OTHER
PURPOSES.

Subtitle

THE INCOME TAX REORGANIZATION AND REFORM
ACT OF 2009.

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

SECTION 1. This act shall be known as the "Income Tax Reorganization and Reform Act of 2009".

SECTION 2. The General Assembly finds:

(1) Arkansas has an outmoded income tax structure that is in desperate need of review and restructuring;

(2) The current income tax is unduly burdensome to individuals, retirees, families, businesses, and corporations;

(3) The income tax structure should appropriately reflect the



1 current economic demographic of the state by imposing income taxes in a fair
2 and balanced manner;

3 (4) The current income tax structure is discouraging retirees
4 from relocating to or remaining in Arkansas;

5 (5) The current income tax structure is punitive and discourages
6 the hardworking citizens of the state; and

7 (6) A comprehensive review of the state's income tax laws and
8 income tax structure can determine the best solutions for our income tax
9 system's problems.

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11 SECTION 3. (a) The Department of Finance and Administration shall
12 undertake a comprehensive review of the state income tax structure under the
13 Income Tax Act of 1929, § 26-51-101 et seq., and provide findings and
14 recommendations to the General Assembly that, if enacted, will:

15 (1) Reduce the individual's income tax burden;

16 (2) Lessen the burden on the state's retirees;

17 (3) Structure the corporate and business income tax to provide
18 incentive for industry to locate and remain in the state; and

19 (4) Result in an overall improvement in the income tax laws to
20 maximize benefit to taxpayers under the current economic and social
21 environment.

22 (b) The Department of Finance and Administration shall report its
23 findings to the House Committee on Revenue and Taxation no later than January
24 1, 2010.

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26 SECTION 4. EMERGENCY CLAUSE. It is found and determined by the
27 General Assembly of the State of Arkansas that the current income tax
28 structure is outmoded and does not reflect the current economic needs, the
29 current social demographic, or achieve overall fairness and balance to
30 taxpayers for the needs of the state. This act will remedy the problems in
31 order to maximize the benefit to all taxpayers and encourage economic
32 investment and spending as well as provide needed relief to retirees,
33 families, and individuals. Therefore, an emergency is declared to exist and
34 this act being immediately necessary for the preservation of the public
35 peace, health, and safety shall become effective on:

36 (1) The date of its approval by the Governor;

1 (2) If the bill is neither approved nor vetoed by the Governor,
2 the expiration of the period of time during which the Governor may veto the
3 bill; or

4 (3) If the bill is vetoed by the Governor and the veto is
5 overridden, the date the last house overrides the veto.

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36 Filed Date: 04/01/2009 By: LMG\VJF