State of Arkansas
84th General Assembly
Regular Session, 2003

A Bill

HOUSE BILL 1004

By: Representative Prater

For An Act To Be Entitled

AN ACT TO EXEMPT CERTAIN BONUS PAY FROM ARKANSAS INCOME TAXATION; AND FOR OTHER PURPOSES.

Subtitle

TO EXEMPT CERTAIN BONUS PAY FROM ARKANSAS INCOME TAXATION.

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

SECTION 1. Arkansas Code Title 26, Chapter 51, Subchapter 3 is amended to add an additional section to read as follows:

<u>26-51-311. Bonus pay.</u>

<u>(a) As used in this section:</u>

<u>(1) “Bonus” means money or other property paid to an employee in addition to the regular or base compensation or wages;</u>

<u>(2) "Employee" means any individual subject to the Arkansas Income Tax Act, § 26-51-101 et seq., who performs or performed services for an employer in exchange for wages; and</u>

<u>(3) "Employer" means a person or other entity who has control of the payment of wages to an individual for services performed.</u>

<u>(b) There is exempted from state individual income tax the first five hundred dollars ($500) of bonus income paid by an employer to an employee during any calendar year.</u>

<u>(c) This section is effective for tax years beginning on and after January 1, 2003.</u>