

1 State of Arkansas  
2 84th General Assembly  
3 Second Extraordinary Session, 2003  
4

Call Item 6

# A Bill

HOUSE BILL 1015

5 By: Representative L. Prater  
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## For An Act To Be Entitled

9 AN ACT TO PROVIDE ADDITIONAL REVENUE TO FUND THE  
10 STATE EDUCATION SYSTEM; TO CREATE A NEW TOP TAX  
11 BRACKET FOR PERSONAL INCOME TAX OVER ONE HUNDRED  
12 THOUSAND DOLLARS (\$100,000); TO APPLY THE NEW TOP  
13 TAX BRACKET TO NONRESIDENTS AND FIDUCIARIES; TO  
14 INCREASE THE TOP CORPORATE INCOME TAX RATE; AND  
15 FOR OTHER PURPOSES.  
16

## Subtitle

17 TO CREATE A NEW TOP TAX BRACKET FOR  
18 PERSONAL INCOME TAX OVER ONE HUNDRED  
19 THOUSAND DOLLARS (\$100,000); TO INCREASE  
20 THE TOP CORPORATE INCOME TAX RATE.  
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24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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26 SECTION 1. Arkansas Code § 26-51-201, regarding the percentage of  
27 income tax levied against every resident, individual, trust, and estate, is  
28 amended to add an additional subsection to read as follows:

29 (e)(1) For tax years beginning on or after January 1, 2004 and later,  
30 on net income of one hundred thousand dollars (\$100,000) and above, the tax  
31 imposed shall be eight percent (8%).

32 (2) The eight percent (8%) rate is in addition to the tax tables  
33 under this section and is subject to the annual indexing required under  
34 subsection (d) of this section.

35 (3) The eight percent (8%) rate shall also apply to nonresidents  
36 under § 26-51-202 and fiduciaries under § 26-51-203.



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 2 SECTION 2. Arkansas Code § 26-51-202(a), regarding the income tax  
 3 imposed on nonresidents, is amended to read as follows:

4 (a) A tax is imposed and shall be assessed, levied, collected, and  
 5 paid annually ~~at the rates specified in § 26-51-201~~ as provided under this  
 6 chapter and at the rates specified in § 26-51-201 upon and with respect to  
 7 the entire net income as defined in this chapter, except as hereinafter  
 8 provided, from all property owned and from every business, trade, or  
 9 occupation carried on in this state by individuals, corporations,  
 10 partnerships, trusts, or estates not residents of the State of Arkansas.

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 12 SECTION 3. Arkansas Code § 26-51-203(a), regarding the income tax  
 13 imposed on fiduciaries, is amended to read as follows:

14 (a) The tax imposed ~~by this act~~ under this chapter and at the rates  
 15 specified in § 26-51-201 shall be imposed upon resident fiduciaries, which  
 16 tax shall be levied, collected, and paid annually with respect to:

17 (1) That part of the net income of estates or trusts which has  
 18 not been distributed or become distributable to beneficiaries during the  
 19 income year. In the case of two (2) or more joint fiduciaries, part of whom  
 20 are nonresidents of this state, such part of the net income shall be treated  
 21 as if each fiduciary had received an equal share;

22 (2) The net income received during the income year by deceased  
 23 individuals who at the time of death were residents and who have died during  
 24 the tax year without having made a return;

25 (3) The entire net income of resident insolvent or incompetent  
 26 individuals, whether or not any portion thereof is held for the future use of  
 27 the beneficiaries, where the fiduciary has complete charge of the net income.

28  
 29 SECTION 4. Arkansas Code § 26-51-205(a) and (b), regarding the  
 30 percentage of corporate income tax, is amended to read as follows:

31 ~~Every corporation organized under the laws of this state shall pay~~  
 32 ~~annually an income tax with respect to carrying on or doing business on the~~  
 33 ~~entire net income of the corporation, as now defined by the laws of the State~~  
 34 ~~of Arkansas, received by such corporation during the income year, on the~~  
 35 ~~following basis:~~

36 ~~(1) On the first \$3,000 of net income or any part~~



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SECTION 5. This act applies to tax years beginning on or after January 1, 2004.