

State of Arkansas  
92nd General Assembly  
Regular Session, 2019

# A Bill

HOUSE BILL 1870

By: Representative Richey

## For An Act To Be Entitled

AN ACT CONCERNING THE INCOME TAX IMPOSED ON CERTAIN INDIVIDUALS; TO ALLOW CERTAIN INDIVIDUALS TO ELECT TO PAY TAXES AT THE RATE IMPOSED IN A BORDERING STATE; AND FOR OTHER PURPOSES.

## Subtitle

TO ALLOW CERTAIN INDIVIDUALS TO ELECT TO PAY TAXES AT THE RATE IMPOSED IN A BORDERING STATE.

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

SECTION 1. Arkansas Code Title 26, Chapter 51, Subchapter 2, is amended to add an additional section to read as follows:

26-51-208. Border cities – Tax rate – Election for certain individuals.

(a) As used in this section:

(1) "Border city" means a city or incorporated town in this state that adjoins the Arkansas state line;

(2) "Bordering state" means a state that is adjacent to a border city;

(3) "Qualified individual" means an individual who is at least sixty-five (65) years of age and who is a resident of a border city; and

(4) "Retirement income" includes without limitation Social Security benefits, pensions, annuity payments, distributions from retirement accounts, and any other retirement benefits.

(b) A qualified individual may elect to:



(1) Have his or her retirement income be subject to the tax imposed under this chapter, including any exemptions, or the tax imposed on retirement income under the laws of the bordering state that adjoins the border city, including any exemptions; or

(2) Have his or her income be subject to the tax imposed under this chapter, including any exemptions, or the tax imposed on individuals who are at least sixty-five (65) years of age under the laws of the bordering state that adjoins the border city, including any exemptions.

(c) An individual electing to be subject to the taxes imposed on income under the laws of a bordering state under this section shall file with his or income tax return a sworn statement in writing that the person is a resident of the border city being used to determine the bordering state for the election.

SECTION 2. EFFECTIVE DATE. This act is effective for tax years beginning on or after January 1, 2019.