

State of Arkansas
93rd General Assembly
Regular Session, 2021

A Bill

HOUSE BILL 1032

By: Representative Jett

For An Act To Be Entitled

AN ACT TO AMEND THE INCOME TAX EXEMPTION FOR RETIREMENT AND DISABILITY BENEFITS; TO AMEND THE INCOME TAX ACT OF 1929 TO ALLOW A TAXPAYER RECEIVING MILITARY RETIREMENT OR SURVIVOR BENEFITS TO RECEIVE THE FULL AMOUNT OF THE INCOME TAX EXEMPTION FOR RETIREMENT BENEFITS; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND THE INCOME TAX ACT OF 1929 TO ALLOW A TAXPAYER RECEIVING MILITARY RETIREMENT OR SURVIVOR BENEFITS TO RECEIVE THE FULL AMOUNT OF THE INCOME TAX EXEMPTION FOR RETIREMENT BENEFITS.

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

SECTION 1. Arkansas Code § 26-51-307(f), concerning the income tax exemption for retirement or disability benefits, is amended to read as follows:

(f)(1) A Except as provided in subdivision (f)(2) of this section, a taxpayer claiming an exemption under subsection (e) of this section is not eligible for an exemption under subsection (a) of this section.

(2) A taxpayer claiming an exemption of less than six thousand dollars (\$6,000) for income from military retirement or survivor benefits under subsection (e) of this section may exempt retirement benefits under subsection (a) of this section in an amount equal to the difference between the exemption claimed under subsection (e) of this section and six thousand



dollars (\$6,000).

SECTION 2. EFFECTIVE DATE. Section 1 of this act is effective for tax years beginning on or after January 1, 2022.