

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas  
93rd General Assembly  
Regular Session, 2021

As Engrossed: H3/1/21  
**A Bill**

HOUSE BILL 1190

By: Representatives Ray, Barker, Beaty Jr., Beck, Bentley, M. Berry, Boyd, Bragg, Breaux, Brooks, Bryant, Carr, Cavenaugh, Christiansen, Cloud, Coleman, C. Cooper, Dotson, Evans, Furman, Gazaway, Gonzales, M. Gray, Haak, Hawks, Hollowell, Jett, L. Johnson, Lowery, Lundstrum, Maddox, McClure, McCollum, M. McElroy, Milligan, Penzo, Pilkington, Rye, B. Smith, Speaks, Tollett, Underwood, Vaught, Warren, Wing, Womack, Wooten

By: Senators M. Johnson, Gilmore, Hester, D. Sullivan, D. Wallace

### **For An Act To Be Entitled**

AN ACT TO AMEND THE INDIVIDUAL INCOME TAX LAWS; TO PROVIDE A COST-OF-LIVING ADJUSTMENT FOR THE STANDARD DEDUCTION; AND FOR OTHER PURPOSES.

### **Subtitle**

TO AMEND THE INDIVIDUAL INCOME TAX LAWS;  
AND TO PROVIDE A COST-OF-LIVING  
ADJUSTMENT FOR THE STANDARD DEDUCTION.

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

SECTION 1. Arkansas Code § 26-51-430, concerning the standard income tax deduction, is amended to add an additional subsection to read as follows:

(c)(1) The Secretary of the Department of Finance and Administration shall increase annually the standard deduction provided under subsection (b) of this section by the cost-of-living adjustment for the current calendar year, rounding the amount to the nearest ten dollars (\$10.00).

(2)(A)(i) For purposes of subdivision (c)(1) of this section, the cost-of-living adjustment for a calendar year is the percentage, if any, by which the Consumer Price Index for the current calendar year exceeds the Consumer Price Index for the preceding calendar year, not to exceed three percent (3%).



(ii) If the Consumer Price Index for the current calendar year does not exceed the Consumer Price Index for the preceding calendar year, the standard deduction shall not be adjusted under this subsection for that year.

(B) The Consumer Price Index for a calendar year is the average of the Consumer Price Index as of the close of the twelve-month period ending on August 31 of that calendar year.

(C) As used in this subsection, "Consumer Price Index" means the most recent Consumer Price Index for all Urban Consumers published by the United States Department of Labor.

SECTION 2. EFFECTIVE DATE. Section 1 of this act is effective for tax years beginning on or after January 1, 2021.

*/s/Ray*