

State of Arkansas
93rd General Assembly
Regular Session, 2021

A Bill

HOUSE BILL 1967

By: Representative Dotson
By: Senator Hester

For An Act To Be Entitled

AN ACT TO AMEND THE INCOME TAX LEVIED ON INDIVIDUALS, TRUSTS, AND ESTATES; TO REDUCE THE INCOME TAX LEVIED ON INDIVIDUALS, TRUSTS, AND ESTATES FROM FIVE AND NINE-TENTHS PERCENT (5.9%) TO FOUR AND NINE-TENTHS PERCENT (4.9%); AND FOR OTHER PURPOSES.

Subtitle

TO REDUCE THE INCOME TAX LEVIED ON INDIVIDUALS, TRUSTS, AND ESTATES FROM FIVE AND NINE-TENTHS PERCENT (5.9%) TO FOUR AND NINE-TENTHS PERCENT (4.9%).

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

SECTION 1. Arkansas Code § 26-51-201(a), concerning the income tax levied on individuals, trusts, and estates, is amended to read as follows:

~~(a)(1) For tax years beginning on and after January 1, 2014, a tax is imposed upon, and with respect to, the entire income of every resident, individual, trust, or estate. The tax shall be levied, collected, and paid annually upon the entire net income as defined and computed in this chapter at the following rates, giving effect to the tax credits provided hereafter, in the manner set forth:~~

~~(1) On the first four thousand two hundred ninety nine dollars (\$4,299) of net income or any part thereof, nine tenths percent (0.9%);~~

~~(2) On the next four thousand one hundred dollars (\$4,100) of net income or any part thereof, two and five tenths percent (2.5%);~~



~~(3) On the next four thousand two hundred dollars (\$4,200) of net income or any part thereof, three and five tenths percent (3.5%);~~

~~(4) On the next eight thousand four hundred dollars (\$8,400) of net income or any part thereof, four and five tenths percent (4.5%);~~

~~(5) On the next fourteen thousand one hundred dollars (\$14,100) of net income or any part thereof, six percent (6%);~~

~~(6) On net income of thirty five thousand one hundred dollars (\$35,100) and above, seven percent (7%);~~

~~(7) Every resident, individual, trust, or estate having net income greater than or equal to twenty-two thousand two hundred dollars (\$22,200), but less than or equal to seventy-nine thousand three hundred dollars (\$79,300), shall determine the amount of income tax due under this subsection in accordance with the table set forth below as follows:~~

(A) For tax years beginning on or after January 1, 2020, the amount of income tax due under this subsection shall be determined according to the following table:

From	Less Than or Equal To	Rate
\$0	\$4,499	0.75%
\$4,500	\$8,899	2.5%
\$8,900	\$13,399	3.5%
\$13,400	\$22,199	4.5%
\$22,200	\$37,199	5%
\$37,200	\$79,300	5.9%

(B) For the tax year beginning January 1, 2022, the amount of income tax due under this subsection shall be determined according to the following table:

<u>From</u>	<u>Less Than or Equal To</u>	<u>Rate</u>
<u>\$0</u>	<u>\$4,499</u>	<u>0.75%</u>
<u>\$4,500</u>	<u>\$8,899</u>	<u>2.5%</u>
<u>\$8,900</u>	<u>\$13,399</u>	<u>3.5%</u>
<u>\$13,400</u>	<u>\$22,199</u>	<u>4.5%</u>
<u>\$22,200</u>	<u>\$37,199</u>	<u>5%</u>
<u>\$37,200</u>	<u>\$79,300</u>	<u>5.4%</u>

(C) For tax years beginning on or after January 1, 2023, the amount of income tax due under this subsection shall be determined according to the following table:

<u>From</u>	<u>Less Than or Equal To</u>	<u>Rate</u>
<u>\$0</u>	<u>\$4,499</u>	<u>0.75%</u>
<u>\$4,500</u>	<u>\$8,899</u>	<u>2.5%</u>
<u>\$8,900</u>	<u>\$13,399</u>	<u>3.5%</u>
<u>\$13,400</u>	<u>\$22,199</u>	<u>4.5%</u>
<u>\$22,200</u>	<u>\$37,199</u>	<u>5%</u>
<u>\$37,200</u>	<u>\$79,300</u>	<u>4.9%</u>

~~(8)(2)~~ Every resident, individual, trust, or estate having net income of less than twenty-two thousand two hundred dollars (\$22,200) shall determine the amount of income tax due under this subsection in accordance with the table set forth below:

From	Less Than or Equal To	Rate
\$0	\$4,499	0%
\$4,500	\$8,899	2%
\$8,900	\$13,399	3%
\$13,400	\$22,199	3.4%

~~(9)(A)(3)~~ For the tax year beginning January 1, 2020, every Every resident, individual, trust, or estate having net income of more than seventy-nine thousand three hundred dollars (\$79,300) shall determine the amount of income tax due under this subsection ~~in accordance with the table set forth below~~ as follows:

(A) For the tax year beginning January 1, 2020, the amount of income tax due under this subsection shall be determined according to the following table:

From	Less Than or Equal To	Rate
\$0	\$4,000	2%
\$4,001	\$8,000	4%
\$8,001	\$79,300	5.9%
\$79,301 and above		6.6%

~~(B) For tax years beginning on and after the tax year beginning~~ beginning January 1, 2021, ~~every resident, individual, trust, or estate having net income of more than seventy nine thousand three hundred dollars (\$79,300) shall determine the amount of income tax due under this subsection in accordance with the table set forth below~~ the amount of income tax due under this subsection shall be determined according to the following table:

From	Less Than or Equal To	Rate
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\$0	\$4,000	2%
\$4,001	\$8,000	4%
\$8,001 and above		5.9%

(C) For the tax year beginning January 1, 2022, the amount of income tax due under this subsection shall be determined according to the following table:

<u>From</u>	<u>Less Than or Equal To</u>	<u>Rate</u>
\$0	\$4,000	2%
\$4,001	\$8,000	4%
\$8,001 and above		5.4%

(D) For tax years beginning on or after January 1, 2023, the amount of income tax due under this subsection shall be determined according to the following table:

<u>From</u>	<u>Less Than or Equal To</u>	<u>Rate</u>
\$0	\$4,000	2%
\$4,001	\$8,000	4%
\$8,001 and above		4.9%

~~(10)(4)~~ Every resident, individual, trust, or estate having net income of more than seventy-nine thousand three hundred dollars (\$79,300), but not more than eighty-four thousand six hundred dollars (\$84,600), shall reduce the amount of income tax due as determined under subdivision ~~(a)(9)~~ (a)(3) of this section by deducting a bracket adjustment amount in accordance with the table set forth below:

From	Less Than or Equal To	Bracket Adjustment Amount
\$79,301	\$80,300	\$440
\$80,301	\$81,300	\$340
\$81,301	\$82,500	\$240
\$82,501	\$83,600	\$140
\$83,601	\$84,600	\$40
\$84,601 and above		\$0

~~(11)(5)~~ The tables set forth in ~~subdivisions (a)(1)–(10) of this section~~ this subsection shall be adjusted annually in accordance with the method set forth in subsection (d) of this section.