

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

State of Arkansas
93rd General Assembly
Third Extraordinary Session, 2022

A Bill

Call Item 1
HOUSE BILL 1001

By: Representatives A. Collins, Clowney, D. Ferguson, V. Flowers, D. Garner, Godfrey, Magie,
McCullough, Richardson, Scott, D. Whitaker

By: Senator C. Tucker

For An Act To Be Entitled

AN ACT TO AMEND ARKANSAS INCOME TAX LAW; TO ADOPT
FEDERAL LAW REGARDING DEPRECIATION AND EXPENSING OF
PROPERTY; TO CREATE AN INFLATIONARY RELIEF INCOME-TAX
CREDIT FOR CERTAIN TAXPAYERS; AND FOR OTHER PURPOSES.

Subtitle

TO AMEND ARKANSAS INCOME TAX LAW; TO
ADOPT FEDERAL LAW REGARDING DEPRECIATION
AND EXPENSING OF PROPERTY; AND TO CREATE
AN INFLATIONARY RELIEF INCOME-TAX CREDIT
FOR CERTAIN TAXPAYERS.

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

SECTION 1. Arkansas Code § 26-51-428(a), as in effect until the contingency set out in Acts 2007, No. 613, § 2, is met, and concerning the income tax deduction for depreciation and expensing of property, is amended to read as follows:

(a)(1) Title 26 U.S.C. §§ 167 and 168(a)-(j), as in effect on January 1, 2019, ~~and 26 U.S.C. § 179, as in effect on January 1, 2009, regarding depreciation and expensing of property,~~ are adopted for the purpose of computing Arkansas income tax liability for property purchased in tax years beginning on or after January 1, 2014.

(2) Title 26 U.S.C. § 179, as in effect on January 1, 2022, is adopted for the purpose of computing Arkansas income tax liability for



property purchased in tax years beginning on or after January 1, 2022.

SECTION 2. DO NOT CODIFY. TEMPORARY LANGUAGE. Inflationary relief income-tax credit.

(a) As used in this section, “resident” means natural persons and includes, for the purpose of determining liability for the tax imposed by the Income Tax Act of 1929, § 26-51-101 et seq., upon or with reference to the income of any taxable year, any person domiciled in the State of Arkansas and any other person who maintains a permanent place of abode within this state and spends in the aggregate more than six (6) months of the taxable year within this state.

(b)(1)(A) For the tax year beginning January 1, 2022, a resident individual taxpayer who files an Arkansas full-year resident income-tax return, other than a joint return, having net income up to one hundred sixteen thousand dollars (\$16,000) is allowed an income-tax credit against the individual income tax imposed by the Income Tax Act of 1929, § 26-51-101 et seq., in accordance with the following table:

<u>From</u>	<u>Less Than or Equal to</u>	<u>Credit Amount</u>
<u>\$1</u>	<u>\$87,000</u>	<u>\$300</u>
<u>\$87,001</u>	<u>\$88,000</u>	<u>\$290</u>
<u>\$88,001</u>	<u>\$89,000</u>	<u>\$280</u>
<u>\$89,001</u>	<u>\$90,000</u>	<u>\$270</u>
<u>\$90,001</u>	<u>\$91,000</u>	<u>\$260</u>
<u>\$91,001</u>	<u>\$92,000</u>	<u>\$250</u>
<u>\$92,001</u>	<u>\$93,000</u>	<u>\$240</u>
<u>\$93,001</u>	<u>\$94,000</u>	<u>\$230</u>
<u>\$94,001</u>	<u>\$95,000</u>	<u>\$220</u>
<u>\$95,001</u>	<u>\$96,000</u>	<u>\$210</u>
<u>\$96,001</u>	<u>\$97,000</u>	<u>\$200</u>
<u>\$97,001</u>	<u>\$98,000</u>	<u>\$190</u>
<u>\$98,001</u>	<u>\$99,000</u>	<u>\$180</u>
<u>\$99,001</u>	<u>\$100,000</u>	<u>\$170</u>
<u>\$100,001</u>	<u>\$101,000</u>	<u>\$160</u>
<u>\$101,001</u>	<u>\$102,000</u>	<u>\$150</u>
<u>\$102,001</u>	<u>\$103,000</u>	<u>\$140</u>
<u>\$103,001</u>	<u>\$104,000</u>	<u>\$130</u>

<u>\$104,001</u>	<u>\$105,000</u>	<u>\$120</u>
<u>\$105,001</u>	<u>\$106,000</u>	<u>\$110</u>
<u>\$106,001</u>	<u>\$107,000</u>	<u>\$100</u>
<u>\$107,001</u>	<u>\$108,000</u>	<u>\$90</u>
<u>\$108,001</u>	<u>\$109,000</u>	<u>\$80</u>
<u>\$109,001</u>	<u>\$110,000</u>	<u>\$70</u>
<u>\$110,001</u>	<u>\$111,000</u>	<u>\$60</u>
<u>\$111,001</u>	<u>\$112,000</u>	<u>\$50</u>
<u>\$112,001</u>	<u>\$113,000</u>	<u>\$40</u>
<u>\$113,001</u>	<u>\$114,000</u>	<u>\$30</u>
<u>\$114,001</u>	<u>\$115,000</u>	<u>\$20</u>
<u>\$115,001</u>	<u>\$116,000</u>	<u>\$10</u>
<u>\$116,001 and up</u>		<u>\$0</u>

(B) Spouses filing separately on the same income-tax return may each claim one (1) credit under subdivision (b)(1)(A) of this section against the tax on the return of each spouse.

(2)(A) For the tax year beginning January 1, 2022, resident individual taxpayers who file a joint Arkansas full-year resident income-tax return having net income up to two hundred forty-seven thousand dollars (\$247,000) are allowed an income tax credit against the individual income tax imposed by the Income Tax Act of 1929, § 26-51-101 et seq., in accordance with the following table:

<u>From</u>	<u>Less Than or Equal to</u>	<u>Credit Amount</u>
<u>\$1</u>	<u>\$174,000</u>	<u>\$600</u>
<u>\$174,001</u>	<u>\$176,000</u>	<u>\$590</u>
<u>\$176,001</u>	<u>\$178,000</u>	<u>\$580</u>
<u>\$178,001</u>	<u>\$180,000</u>	<u>\$570</u>
<u>\$180,001</u>	<u>\$182,000</u>	<u>\$560</u>
<u>\$182,001</u>	<u>\$184,000</u>	<u>\$550</u>
<u>\$184,001</u>	<u>\$186,000</u>	<u>\$540</u>
<u>\$186,001</u>	<u>\$188,000</u>	<u>\$530</u>
<u>\$188,001</u>	<u>\$190,000</u>	<u>\$520</u>
<u>\$190,001</u>	<u>\$192,000</u>	<u>\$510</u>
<u>\$192,001</u>	<u>\$194,000</u>	<u>\$500</u>
<u>\$194,001</u>	<u>\$196,000</u>	<u>\$490</u>

<u>\$196,001</u>	<u>\$198,000</u>	<u>\$480</u>
<u>\$198,001</u>	<u>\$200,000</u>	<u>\$470</u>
<u>\$200,001</u>	<u>\$202,000</u>	<u>\$460</u>
<u>\$202,001</u>	<u>\$203,000</u>	<u>\$450</u>
<u>\$203,001</u>	<u>\$204,000</u>	<u>\$440</u>
<u>\$204,001</u>	<u>\$205,000</u>	<u>\$430</u>
<u>\$205,001</u>	<u>\$206,000</u>	<u>\$420</u>
<u>\$206,001</u>	<u>\$207,000</u>	<u>\$410</u>
<u>\$207,001</u>	<u>\$208,000</u>	<u>\$400</u>
<u>\$208,001</u>	<u>\$209,000</u>	<u>\$390</u>
<u>\$209,001</u>	<u>\$210,000</u>	<u>\$380</u>
<u>\$210,001</u>	<u>\$211,000</u>	<u>\$370</u>
<u>\$211,001</u>	<u>\$212,000</u>	<u>\$360</u>
<u>\$212,001</u>	<u>\$213,000</u>	<u>\$350</u>
<u>\$213,001</u>	<u>\$214,000</u>	<u>\$340</u>
<u>\$214,001</u>	<u>\$215,000</u>	<u>\$330</u>
<u>\$215,001</u>	<u>\$216,000</u>	<u>\$320</u>
<u>\$216,001</u>	<u>\$217,000</u>	<u>\$310</u>
<u>\$217,001</u>	<u>\$218,000</u>	<u>\$300</u>
<u>\$218,001</u>	<u>\$219,000</u>	<u>\$290</u>
<u>\$219,001</u>	<u>\$220,000</u>	<u>\$280</u>
<u>\$220,001</u>	<u>\$221,000</u>	<u>\$270</u>
<u>\$221,001</u>	<u>\$222,000</u>	<u>\$260</u>
<u>\$222,001</u>	<u>\$223,000</u>	<u>\$250</u>
<u>\$223,001</u>	<u>\$224,000</u>	<u>\$240</u>
<u>\$224,001</u>	<u>\$225,000</u>	<u>\$230</u>
<u>\$225,001</u>	<u>\$226,000</u>	<u>\$220</u>
<u>\$226,001</u>	<u>\$227,000</u>	<u>\$210</u>
<u>\$227,001</u>	<u>\$228,000</u>	<u>\$200</u>
<u>\$228,001</u>	<u>\$229,000</u>	<u>\$190</u>
<u>\$229,001</u>	<u>\$230,000</u>	<u>\$180</u>
<u>\$230,001</u>	<u>\$231,000</u>	<u>\$170</u>
<u>\$231,001</u>	<u>\$232,000</u>	<u>\$160</u>
<u>\$232,001</u>	<u>\$233,000</u>	<u>\$150</u>
<u>\$233,001</u>	<u>\$234,000</u>	<u>\$140</u>
<u>\$234,001</u>	<u>\$235,000</u>	<u>\$130</u>

<u>\$235,001</u>	<u>\$236,000</u>	<u>\$120</u>
<u>\$236,001</u>	<u>\$237,000</u>	<u>\$110</u>
<u>\$237,001</u>	<u>\$238,000</u>	<u>\$100</u>
<u>\$238,001</u>	<u>\$239,000</u>	<u>\$90</u>
<u>\$239,001</u>	<u>\$240,000</u>	<u>\$80</u>
<u>\$240,001</u>	<u>\$241,000</u>	<u>\$70</u>
<u>\$241,001</u>	<u>\$242,000</u>	<u>\$60</u>
<u>\$242,001</u>	<u>\$243,000</u>	<u>\$50</u>
<u>\$243,001</u>	<u>\$244,000</u>	<u>\$40</u>
<u>\$244,001</u>	<u>\$245,000</u>	<u>\$30</u>
<u>\$245,001</u>	<u>\$246,000</u>	<u>\$20</u>
<u>\$246,001</u>	<u>\$247,000</u>	<u>\$10</u>
<u>\$247,101 and up</u>		<u>\$0</u>

(B) Spouses filing jointly on the same income-tax return shall receive only one (1) credit under subdivision (b)(2)(A) of this section against their aggregate tax.

(c) The credits allowed under subdivisions (b)(1) and (b)(2) of this section cannot be claimed by a taxpayer:

(1) For any tax year other than the tax year beginning on January 1, 2022; or

(2) Who files a nonresident return or a part-year resident return.

(d) If the amount of the income tax credit allowed under this section exceeds the taxpayer's income tax liability, the excess shall be refunded to the taxpayer.

SECTION 3. EFFECTIVE DATE.

(a) Section 1 this act is effective for tax years beginning on or after January 1, 2022.

(b) Section 2 this act is effective for the tax year beginning on January 1, 2022.