

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

State of Arkansas  
94th General Assembly  
Second Extraordinary Session, 2024

# A Bill

Call Item 1  
HOUSE BILL 1001

By: Representatives Eaves, M. Shepherd, Beaty Jr., Ray, Achor, Andrews, Barker, Beck, Bentley, M. Berry, S. Berry, Breaux, Brooks, K. Brown, M. Brown, Burkes, Joey Carr, Cavanaugh, C. Cooper, Cozart, Crawford, Dalby, Duke, Eubanks, Evans, C. Fite, L. Fite, Fortner, Furman, Gazaway, Gonzales, Gramlich, Haak, Hawk, D. Hodges, G. Hodges, Holcomb, Hollowell, Jean, L. Johnson, Ladyman, Long, Lundstrum, Lynch, Maddox, J. Mayberry, McAlindon, McClure, McCollum, M. McElroy, McGrew, B. McKenzie, McNair, S. Meeks, Miller, Milligan, J. Moore, K. Moore, Painter, Pearce, Pilkington, Puryear, R. Scott Richardson, Richmond, Rose, Rye, Schulz, Steimel, Tosh, Underwood, Unger, Vaught, Walker, Warren, Watson, Wing, Womack, Wooldridge, Wooten

By: Senators J. Dismang, J. Boyd, J. Bryant, Caldwell, A. Clark, Crowell, B. Davis, Dees, J. Dotson, J. English, Flippo, Gilmore, K. Hammer, Hester, Hickey, Hill, Irvin, B. Johnson, M. Johnson, M. McKee, J. Payton, C. Penzo, J. Petty, Rice, Stone, G. Stubblefield, D. Sullivan, D. Wallace

## For An Act To Be Entitled

AN ACT CONCERNING THE REDUCTION OF INCOME TAXES; TO REDUCE THE INCOME TAX LEVIED ON INDIVIDUALS, TRUSTS, ESTATES, AND CORPORATIONS; TO TRANSFER SURPLUS FUNDS TO THE ARKANSAS RESERVE FUND SET-ASIDE TO ENSURE THE EFFICIENT AND EFFECTIVE OPERATION OF STATE GOVERNMENT; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

## Subtitle

TO REDUCE THE INCOME TAX LEVIED ON INDIVIDUALS, TRUSTS, ESTATES, AND CORPORATIONS; TO TRANSFER SURPLUS FUNDS TO THE ARKANSAS RESERVE FUND SET-ASIDE; AND TO DECLARE AN EMERGENCY.

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



SECTION 1. Arkansas Code § 26-51-201(a)(3), concerning the income tax imposed on individuals, trusts, and estates, is amended to read as follows:

(3) For tax years beginning on or after January 1, 2024:

(A) Every resident, individual, trust, or estate having net income less than or equal to ~~eighty-seven thousand dollars (\$87,000)~~ eighty-nine thousand six hundred dollars (\$89,600) 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	<del>\$5,099</del> <u>\$5,299</u>	0%
<del>\$5,100</del> <u>\$5,300</u>	<del>\$10,299</del> <u>\$10,599</u>	2%
<del>\$10,300</del> <u>\$10,600</u>	<del>\$14,699</del> <u>\$15,099</u>	3%
<del>\$14,700</del> <u>\$15,100</u>	<del>\$24,299</del> <u>\$24,999</u>	3.4%
<del>\$24,300</del> <u>\$25,000</u>	<del>\$87,000</del> <u>\$89,600</u>	<del>4.4%</del> <u>3.9%</u>

(B) Every resident, individual, trust, or estate having net income greater than ~~eighty-seven thousand dollars (\$87,000)~~ eighty-nine thousand six hundred dollars (\$89,600) 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	<del>\$4,400</del> <u>\$4,500</u>	2%
<del>\$4,401</del> <u>\$4,501 and above</u>	<del>\$8,800</del>	<del>4%</del> <u>3.9%</u>
<del>\$8,801 and above</del>		<del>4.4%</del>

(C) Every resident, individual, trust, or estate having net income greater than or equal to ~~eighty-seven thousand one dollars (\$87,001)~~ eighty-nine thousand six hundred one dollars (\$89,601) but not greater than ~~ninety thousand eight hundred dollars (\$90,800)~~ ninety-two thousand seven hundred dollars (\$92,700) shall reduce the amount of income tax due as determined under subdivision (a)(3)(B) 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
<del>\$87,001</del> <u>\$89,601</u>	<del>\$87,100</del> <u>\$89,700</u>	<del>\$380</del> <u>\$310</u>
<del>\$87,101</del> <u>\$89,701</u>	<del>\$87,200</del> <u>\$89,800</u>	<del>\$370</del> <u>\$300</u>
<del>\$87,201</del> <u>\$89,801</u>	<del>\$87,300</del> <u>\$89,900</u>	<del>\$360</del> <u>\$290</u>
<del>\$87,301</del> <u>\$89,901</u>	<del>\$87,400</del> <u>\$90,000</u>	<del>\$350</del> <u>\$280</u>
<del>\$87,401</del> <u>\$90,001</u>	<del>\$87,500</del> <u>\$90,100</u>	<del>\$340</del> <u>\$270</u>

<del>\$87,501</del>	<u>\$90,101</u>	<del>\$87,600</del>	<u>\$90,200</u>	<del>\$330</del>	<u>\$260</u>
<del>\$87,601</del>	<u>\$90,201</u>	<del>\$87,700</del>	<u>\$90,300</u>	<del>\$320</del>	<u>\$250</u>
<del>\$87,701</del>	<u>\$90,301</u>	<del>\$87,800</del>	<u>\$90,400</u>	<del>\$310</del>	<u>\$240</u>
<del>\$87,801</del>	<u>\$90,401</u>	<del>\$87,900</del>	<u>\$90,500</u>	<del>\$300</del>	<u>\$230</u>
<del>\$87,901</del>	<u>\$90,501</u>	<del>\$88,000</del>	<u>\$90,600</u>	<del>\$290</del>	<u>\$220</u>
<del>\$88,001</del>	<u>\$90,601</u>	<del>\$88,100</del>	<u>\$90,700</u>	<del>\$280</del>	<u>\$210</u>
<del>\$88,101</del>	<u>\$90,701</u>	<del>\$88,200</del>	<u>\$90,800</u>	<del>\$270</del>	<u>\$200</u>
<del>\$88,201</del>	<u>\$90,801</u>	<del>\$88,300</del>	<u>\$90,900</u>	<del>\$260</del>	<u>\$190</u>
<del>\$88,301</del>	<u>\$90,901</u>	<del>\$88,400</del>	<u>\$91,000</u>	<del>\$250</del>	<u>\$180</u>
<del>\$88,401</del>	<u>\$91,001</u>	<del>\$88,500</del>	<u>\$91,100</u>	<del>\$240</del>	<u>\$170</u>
<del>\$88,501</del>	<u>\$91,101</u>	<del>\$88,600</del>	<u>\$91,200</u>	<del>\$230</del>	<u>\$160</u>
<del>\$88,601</del>	<u>\$91,201</u>	<del>\$88,700</del>	<u>\$91,300</u>	<del>\$220</del>	<u>\$150</u>
<del>\$88,701</del>	<u>\$91,301</u>	<del>\$88,800</del>	<u>\$91,400</u>	<del>\$210</del>	<u>\$140</u>
<del>\$88,801</del>	<u>\$91,401</u>	<del>\$88,900</del>	<u>\$91,500</u>	<del>\$200</del>	<u>\$130</u>
<del>\$88,901</del>	<u>\$91,501</u>	<del>\$89,000</del>	<u>\$91,600</u>	<del>\$190</del>	<u>\$120</u>
<del>\$89,001</del>	<u>\$91,601</u>	<del>\$89,100</del>	<u>\$91,700</u>	<del>\$180</del>	<u>\$110</u>
<del>\$89,101</del>	<u>\$91,701</u>	<del>\$89,200</del>	<u>\$91,800</u>	<del>\$170</del>	<u>\$100</u>
<del>\$89,201</del>	<u>\$91,801</u>	<del>\$89,300</del>	<u>\$91,900</u>	<del>\$160</del>	<u>\$90</u>
<del>\$89,301</del>	<u>\$91,901</u>	<del>\$89,400</del>	<u>\$92,000</u>	<del>\$150</del>	<u>\$80</u>
<del>\$89,401</del>	<u>\$92,001</u>	<del>\$89,500</del>	<u>\$92,100</u>	<del>\$140</del>	<u>\$70</u>
<del>\$89,501</del>	<u>\$92,101</u>	<del>\$89,600</del>	<u>\$92,200</u>	<del>\$130</del>	<u>\$60</u>
<del>\$89,601</del>	<u>\$92,201</u>	<del>\$89,700</del>	<u>\$92,300</u>	<del>\$120</del>	<u>\$50</u>
<del>\$89,701</del>	<u>\$92,301</u>	<del>\$89,800</del>	<u>\$92,400</u>	<del>\$110</del>	<u>\$40</u>
<del>\$89,801</del>	<u>\$92,401</u>	<del>\$89,900</del>	<u>\$92,500</u>	<del>\$100</del>	<u>\$30</u>
<del>\$89,901</del>	<u>\$92,501</u>	<del>\$90,000</del>	<u>\$92,600</u>	<del>\$90</del>	<u>\$20</u>
<del>\$90,001</del>	<u>\$92,601</u>	<del>\$90,100</del>	<u>\$92,700</u>	<del>\$80</del>	<u>\$10</u>
<del>\$90,101</del>	<u>\$92,701 and up</u>	<del>\$90,200</del>		<del>\$70</del>	<u>\$0</u>
<del>\$90,201</del>		<del>\$90,300</del>		<del>\$60</del>	
<del>\$90,301</del>		<del>\$90,400</del>		<del>\$50</del>	
<del>\$90,401</del>		<del>\$90,500</del>		<del>\$40</del>	
<del>\$90,501</del>		<del>\$90,600</del>		<del>\$30</del>	
<del>\$90,601</del>		<del>\$90,700</del>		<del>\$20</del>	
<del>\$90,701</del>		<del>\$90,800</del>		<del>\$10</del>	
<del>\$90,801</del>	<u>and up</u>			<del>\$0</del>	

SECTION 2. Arkansas Code § 26-51-205(a)(5), concerning the income tax

imposed on domestic corporations, is amended to read as follows:

(5) For tax years beginning on or after January 1, 2024, every corporation organized under the laws of this state shall pay annually an income tax with respect to carrying on or doing business on the entire net income of the corporation, as now defined by the laws of this state, received by the corporation during the income year, on the following basis:

(A) On the first three thousand dollars (\$3,000) of net income or any part thereof, one percent (1%);

(B) On the next three thousand dollars (\$3,000) of net income or any part thereof, two percent (2%);

(C) On the next five thousand dollars (\$5,000) of net income or any part thereof, three percent (3%); and

(D) On net income exceeding eleven thousand dollars (\$11,000), ~~four and eight-tenths percent (4.8%)~~ four and three-tenths percent (4.3%).

SECTION 3. Arkansas Code § 26-51-205(b)(5), concerning the income tax imposed on foreign corporations, is amended to read as follows:

(5) For tax years beginning on or after January 1, 2024, every foreign corporation doing business within the jurisdiction of this state shall pay annually an income tax on the proportion of its entire net income as now defined by the income tax laws of this state, on the following basis:

(A) On the first three thousand dollars (\$3,000) of net income or any part thereof, one percent (1%);

(B) On the next three thousand dollars (\$3,000) of net income or any part thereof, two percent (2%);

(C) On the next five thousand dollars (\$5,000) of net income or any part thereof, three percent (3%); and

(D) On net income exceeding eleven thousand dollars (\$11,000), ~~four and eight-tenths percent (4.8%)~~ four and three-tenths percent (4.3%).

SECTION 4. TEMPORARY LANGUAGE. DO NOT CODIFY. Transfer to Arkansas Reserve Fund Set-Aside.

On July 2, 2024, the Chief Fiscal Officer of the State shall transfer on his or her books and the books of the Treasurer of State and the Auditor

of State two hundred ninety million dollars (\$290,000,000) from the General Revenue Allotment Reserve Fund to the Arkansas Reserve Fund Set-Aside for the purpose established in Acts 2023 (1st Ex. Sess.), No. 11, § 1.

SECTION 5. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that this act would create significant changes to the state's income tax laws; that taxpayers and employers plan to meet their obligations on a calendar-year basis; and that this act is immediately necessary to ensure the financial stability of the state, to allow taxpayers and employers time both to plan for and to implement the changes in law created by this act, and to ensure that the Department of Finance and Administration has sufficient time to update its forms and software and train its personnel in accordance with this act. Therefore, an emergency is declared to exist, and this act being immediately necessary for the preservation of the public peace, health, and safety shall become effective on:

- (1) The date of its approval by the Governor;
- (2) If the bill is neither approved nor vetoed by the Governor, the expiration of the period of time during which the Governor may veto the bill; or
- (3) If the bill is vetoed by the Governor and the veto is overridden, the date the last house overrides the veto.