

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

State of Arkansas
95th General Assembly
Regular Session, 2025

As Engrossed: S3/12/25

A Bill

SENATE BILL 204

By: Senators C. Penzo, *Hester, J. Boyd, J. Bryant, Caldwell, A. Clark, Crowell, B. Davis, Dees, J. Dotson, Flippo, Gilmore, K. Hammer, Hill, B. Johnson, M. Johnson, B. King, M. McKee, R. Murdock, J. Payton, J. Petty, J. Scott, Stone, G. Stubblefield, D. Sullivan, D. Wallace*
By: Representatives *Wooldridge, Evans, J. Moore, Ray, Rose, Achor, F. Allen, Andrews, Barnes, Barnett, Beaty Jr., Bentley, S. Berry, Breaux, Brooks, A. Brown, K. Brown, M. Brown, Joey Carr, John Carr, Cavanaugh, Childress, Clowney, C. Cooper, Cozart, Crawford, Duffield, Duke, Eaton, Eaves, Ennett, K. Ferguson, Furman, D. Garner, Gazaway, Gonzales Worthen, Gramlich, Hall, Hawk, Holcomb, Hollowell, Hudson, Jean, L. Johnson, Ladyman, Long, Lundstrum, Lynch, Maddox, Magie, J. Mayberry, McAlindon, McCollum, M. McElroy, McGrew, McGruder, McNair, S. Meeks, Milligan, Nazarenko, Painter, Pearce, Perry, Pilkington, Puryear, J. Richardson, R. Scott Richardson, Richmond, Rye, Steele, Steimel, Torres, Tosh, Underwood, Unger, Vaught, Walker, Warren, Wing, Womack*

For An Act To Be Entitled

AN ACT TO AMEND THE STATE INCOME TAX LAWS; TO EXEMPT FROM GROSS INCOME A GAIN BY A TAXPAYER RESULTING FROM THE ACQUISITION OF PROPERTY UNDER THE RIGHT OF EMINENT DOMAIN OR THE THREAT OF CONDEMNATION; AND FOR OTHER PURPOSES.

Subtitle

TO EXEMPT FROM GROSS INCOME A GAIN BY A TAXPAYER RESULTING FROM THE ACQUISITION OF PROPERTY UNDER THE RIGHT OF EMINENT DOMAIN OR THE THREAT OF CONDEMNATION.

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

SECTION 1. Arkansas Code § 26-51-404(b), concerning exclusions from gross income under the Income Tax Act of 1929, is amended to add an additional subdivision to read as follows:

(36) A gain by a taxpayer resulting from the acquisition of real



property by an entity with the power of eminent domain under the right of eminent domain or threat of condemnation under Title 18, Chapter 15 or § 27-67-301 et seq.

SECTION 2. EFFECTIVE DATE. Section 1 of this act is effective for tax years beginning on or after January 1, 2025.

/s/C. Penzo