

State of Arkansas
95th General Assembly
First Extraordinary Session, 2026

A Bill

Call Item 1
SENATE BILL 1

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, B. King, M. McKee, J. Payton, C. Penzo, J. Petty, Rice, Simon, Stone, D. Sullivan, D. Wallace
By: Representative Eaves

For An Act To Be Entitled

AN ACT TO REDUCE INCOME TAXES; TO REDUCE THE INCOME TAX RATES FOR INDIVIDUALS, TRUSTS, ESTATES, AND CORPORATIONS; AND FOR OTHER PURPOSES.

Subtitle

TO REDUCE THE INCOME TAX RATES FOR INDIVIDUALS, TRUSTS, ESTATES, AND CORPORATIONS.

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

SECTION 1. Arkansas Code § 26-51-201(a)(4), concerning the income tax imposed on individuals, trusts, and estates, is amended to read as follows:

(4) For tax years beginning on or after January 1, 2026:

(A) Every resident, individual, trust, or estate having net income less than or equal to ninety-four thousand seven hundred dollars (\$94,700) shall determine the amount of income tax due under this subsection in accordance with the table set forth below:

<u>From</u>	<u>Less Than or Equal To</u>	<u>Rate</u>
<u>\$0</u>	<u>\$5,599</u>	<u>0%</u>
<u>\$5,600</u>	<u>\$11,199</u>	<u>2%</u>
<u>\$11,200</u>	<u>\$15,999</u>	<u>3%</u>
<u>\$16,000</u>	<u>\$26,399</u>	<u>3.4%</u>
<u>\$26,400</u>	<u>\$94,700</u>	<u>3.7%</u>



(B) Every resident, individual, trust, or estate having net income greater than ninety-four thousand seven hundred dollars (\$94,700) shall determine the amount of income tax due under this subsection in accordance with the table set forth below:

<u>From</u>	<u>Less Than or Equal To</u>	<u>Rate</u>
<u>\$0</u>	<u>\$4,700</u>	<u>2%</u>
<u>\$4,701 and above</u>		<u>3.7%</u>

(C) Every resident, individual, trust, or estate having net income greater than or equal to ninety-four thousand seven hundred one dollars (\$94,701) but not greater than ninety-seven thousand six hundred dollars (\$97,600) shall reduce the amount of income tax due as determined under subdivision (a)(4)(B) of this section by deducting a bracket adjustment amount in accordance with the table set forth below:

<u>From</u>	<u>Less Than or Equal To</u>	<u>Bracket Adjustment Amount</u>
<u>\$94,701</u>	<u>\$94,800</u>	<u>\$290</u>
<u>\$94,801</u>	<u>\$94,900</u>	<u>\$280</u>
<u>\$94,901</u>	<u>\$95,000</u>	<u>\$270</u>
<u>\$95,001</u>	<u>\$95,100</u>	<u>\$260</u>
<u>\$95,101</u>	<u>\$95,200</u>	<u>\$250</u>
<u>\$95,201</u>	<u>\$95,300</u>	<u>\$240</u>
<u>\$95,301</u>	<u>\$95,400</u>	<u>\$230</u>
<u>\$95,401</u>	<u>\$95,500</u>	<u>\$220</u>
<u>\$95,501</u>	<u>\$95,600</u>	<u>\$210</u>
<u>\$95,601</u>	<u>\$95,700</u>	<u>\$200</u>
<u>\$95,701</u>	<u>\$95,800</u>	<u>\$190</u>
<u>\$95,801</u>	<u>\$95,900</u>	<u>\$180</u>
<u>\$95,901</u>	<u>\$96,000</u>	<u>\$170</u>
<u>\$96,001</u>	<u>\$96,100</u>	<u>\$160</u>
<u>\$96,101</u>	<u>\$96,200</u>	<u>\$150</u>
<u>\$96,201</u>	<u>\$96,300</u>	<u>\$140</u>
<u>\$96,301</u>	<u>\$96,400</u>	<u>\$130</u>
<u>\$96,401</u>	<u>\$96,500</u>	<u>\$120</u>
<u>\$96,501</u>	<u>\$96,600</u>	<u>\$110</u>
<u>\$96,601</u>	<u>\$96,700</u>	<u>\$100</u>
<u>\$96,701</u>	<u>\$96,800</u>	<u>\$90</u>
<u>\$96,801</u>	<u>\$96,900</u>	<u>\$80</u>

<u>\$96,901</u>	<u>\$97,000</u>	<u>\$70</u>
<u>\$97,001</u>	<u>\$97,100</u>	<u>\$60</u>
<u>\$97,101</u>	<u>\$97,200</u>	<u>\$50</u>
<u>\$97,201</u>	<u>\$97,300</u>	<u>\$40</u>
<u>\$97,301</u>	<u>\$97,400</u>	<u>\$30</u>
<u>\$97,401</u>	<u>\$97,500</u>	<u>\$20</u>
<u>\$97,501</u>	<u>\$97,600</u>	<u>\$10</u>
<u>\$97,601 and over</u>		<u>\$0</u>

(5) The tables set forth in subdivisions ~~(a)(1)-(3)~~ (a)(1)-(4) of this section shall be adjusted annually in accordance with the method set forth in subsection (d) of this section.

SECTION 2. Arkansas Code § 26-51-205(a), concerning the income tax levied on domestic corporations, is amended to add an additional subdivision to read as follows:

(6) For tax years beginning on or after January 1, 2027, 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 one-tenths percent (4.1%).

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

(6) For tax years beginning on or after January 1, 2027, 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 one-tenths percent (4.1%).