

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 84th General Assembly
3 Regular Session, 2003
4

A Bill

Act 218 of 2003
SENATE BILL 107

5 By: Senator Faris
6
7

For An Act To Be Entitled

9 AN ACT TO AMEND ARKANSAS LAW TO ADOPT RECENT
10 CHANGES TO THE RETIREMENT PROVISIONS OF THE
11 FEDERAL INTERNAL REVENUE CODE; AND FOR OTHER
12 PURPOSES.
13

Subtitle

14 AN ACT TO ADOPT RECENT CHANGES TO THE
15 RETIREMENT PROVISIONS OF THE FEDERAL
16 INTERNAL REVENUE CODE.
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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22 SECTION 1. Arkansas Code § 26-51-414(a)(1), concerning the income tax
23 treatment of deferred compensation plans, is amended to read as follows:

24 (a)(1) Sections 72, 219, 401-404, 406-416, inclusive, and 457 of the
25 Internal Revenue Code of 1986, as in effect on ~~January 1, 1999,~~ January 1,
26 2002, relating to annuities, retirement savings, and employee benefit plans,
27 respectively, are hereby adopted for the purpose of computing Arkansas income
28 tax liability, except Arkansas capital gains treatment, and the Arkansas tax
29 rates shall apply.
30

31 SECTION 2. Arkansas Code § 26-51-448, concerning the income tax
32 treatment of educational individual retirement accounts, is amended to read
33 as follows:

34 26-51-448. Educational individual retirement accounts.

35 Section 530 of the federal Internal Revenue Code of 1986, as in effect
36 on ~~January 1, 1999,~~ January 1, 2002, relating to educational individual

1 retirement accounts, is adopted for the purposes of computing Arkansas income
2 tax liability. Any additional tax or penalty imposed by this section shall
3 be ten percent (10%) of the amount of any additional tax or penalty provided
4 in the federal income tax law adopted by this section.

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6 SECTION 3. This act applies to tax returns filed for tax years
7 beginning on or after January 1, 2002.

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9 SECTION 4. EMERGENCY CLAUSE. It is found and determined by the
10 General Assembly of the State of Arkansas that recent changes to the federal
11 Internal Revenue Code have resulted in a significant disparity between state
12 and federal retirement plan laws; this disparity has increased the state's
13 administrative burden and has led to confusion and anxiety among Arkansas
14 taxpayers. Therefore, an emergency is declared to exist and this act being
15 immediately necessary for the preservation of the public peace, health, and
16 safety shall become effective on:

17 (1) The date of its approval by the Governor;

18 (2) If the bill is neither approved nor vetoed by the Governor,
19 the expiration of the period of time during which the Governor may veto the
20 bill; or

21 (3) If the bill is vetoed by the Governor and the veto is
22 overridden, the date the last house overrides the veto.

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25 APPROVED: 02/26/2003