

State of Arkansas

77th General Assembly

A Bill

HOUSE BILL

Third Extraordinary Session, 1989

CALL ITEM

1083

By: Representatives J. Miller, Cunningham, King,
Goodwin, and Flanagin

For An Act To Be Entitled

"AN ACT TO AMEND SECTION 26-51-201(a) OF THE ARKANSAS CODE OF 1987 ANNOTATED TO INCREASE THE INCOME TAX TO A FLAT SEVEN PERCENT (7%) RATE FOR INDIVIDUALS, TRUSTS, AND ESTATES WITH INCOMES IN EXCESS OF ONE HUNDRED THOUSAND DOLLARS (\$100,000); AND FOR OTHER PURPOSES."

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

SECTION 1. Section 26-51-201(a) of the Arkansas Code of 1987 Annotated is hereby amended to read as follows:

"(a) A tax is imposed upon, and with respect to, the entire income of every resident, individual, trust, or estate. The tax shall be levied, collected, and paid annually upon the entire net income as defined and computed in this chapter at the following rates, giving effect to the tax credits provided hereafter, in the manner set forth:

(1) On the first two thousand nine hundred ninety-nine dollars (\$2,999) of net income or any part thereof, one percent (1%);

(2) On the next three thousand dollars (\$3,000) of net income or any part thereof, two and one-half percent (2 1/2%);

(3) On the next three thousand dollars (\$3,000) of net income or any part thereof, three and one-half percent (3 1/2%);

(4) On the next six thousand dollars (\$6,000) of net income or any part thereof, four and one-half percent (4 1/2%);

(5) On the next ten thousand dollars (\$10,000) of net income or any part thereof, six percent (6%);

(6) On net income of twenty-five thousand dollars (\$25,000) and above, seven percent (7%);

(7) A rate of seven percent (7%) on the entire net income of an unmarried person, trust or estate, when such income exceeds one hundred

thousand dollars (\$100,000) and on the entire combined net income of a married couple, when such combined net income exceeds one hundred thousand dollars (\$100,000). A married couple shall be subject to this rate regardless of whether the couple files jointly or separately either on the same or separate returns. Every married spouse filing separately on a separate form shall state on his or her return the net income and social security number of the other spouse. For the purposes of this subsection, 'combined net income' means the sum of the net income of both spouses."

SECTION 2. The provisions contained in this Act shall be effective for income years beginning on and after January 1, 1989.

SECTION 3. All provisions of this Act of a general and permanent nature are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code Revision Commission shall incorporate the same in the Code.

SECTION 4. All laws and parts of laws in conflict with this Act are hereby repealed.

SECTION 5. EMERGENCY. It is hereby found and determined by the General Assembly that the State of Arkansas is in serious need of additional revenue for the purpose of funding critical education programs and other essential services required by the citizens of the State and the provisions of this Act are necessary to raise needed revenue. Therefore, an emergency is hereby declared to exist and this Act being necessary for the preservation of the public peace, health and safety shall be in full force and effect on and after its passage and approval.