

*As Engrossed: 3/1/91*

1 **State of Arkansas**  
2 **78th General Assembly**  
3 **Regular Session, 1991**

# A Bill

**HOUSE BILL 1064**

4 **By: Representative Tullis**

5 *Representatives Thurman, K. Wood, B. Wood, D. Wood, Thicksten, Fairchild and Rorie*

6

7

## **For An Act To Be Entitled**

8 "AN ACT TO AMEND ARKANSAS CODE ANNOTATED §26-51-306 TO  
9 ADOPT SECTIONS 112 AND 692 OF THE INTERNAL REVENUE CODE OF  
10 1986, AS IN EFFECT ON JANUARY 1, 1991; AND FOR OTHER  
11 PURPOSES."

12

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

14

15 SECTION 1. Arkansas Code Annotated §26-51-306 is amended to read as  
16 follows:

17 "26-51-306. Compensation and benefits from military service.

18 (a) (1) No member of the armed services of the United States shall be  
19 liable for or required to pay any income tax on the first six thousand dollars  
20 (\$6,000) of service pay or allowances.

21 (2) The compensation and benefits are declared exempt, to the  
22 extent of the first six thousand dollars (\$6,000) thereof, from the state  
23 income tax.

24 (3) All service pay or allowances of members of the armed  
25 services of the United States in excess of six thousand dollars (\$6,000) per  
26 year shall be subject to the state income tax, unless otherwise provided for  
27 herein.

28 (4) Sections 112 and 692 of the Internal Revenue Code of 1986, as  
29 in effect on January 1, 1991, regarding combat pay of members of the Armed  
30 Forces and income taxes of members of the Armed Forces on death, are adopted.  
31 The provisions contained in Section 112 of the Internal Revenue Code are in  
32 addition to all other provisions contained in this section.

33 (b) Nothing in this section shall exempt from taxation the income of  
34 these persons derived from other sources than their service pay and  
35 allowances.

**sjk024**

1 (c) The term "armed services", as used in this section, means any and  
2 all members of the United States Army, Navy, Marine Corps, Coast Guard, Air  
3 Force, and any and all other branches of the military and naval forces or  
4 auxiliaries."  
5

6 SECTION 2. All provisions of this act of a general and permanent nature  
7 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code  
8 Revision Commission shall incorporate the same in the Code.  
9

10 SECTION 3. If any provision of this act or the application thereof to  
11 any person or circumstance is held invalid, such invalidity shall not affect  
12 other provisions or applications of the act which can be given effect without  
13 the invalid provision or application, and to this end the provisions of this  
14 act are declared to be severable.  
15

16 SECTION 4. All laws and parts of laws in conflict with this act are  
17 hereby repealed.  
18

19 /s/B. Tullis, et al  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34