

1 State of Arkansas
2 83rd General Assembly
3 First Extraordinary Session, 2002
4

Call Item 4

A Bill

HOUSE BILL 1007

5 By: Representative Lendall
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For An Act To Be Entitled

9 AN ACT TO CREATE THE ARKANSAS RAINY DAY FUND; TO
10 AMEND ARKANSAS CODE 26-51-201(a) AND 26-51-205(a)
11 AND (b) TO INCREASE THE INCOME TAX LEVIED AGAINST
12 INDIVIDUALS, TRUSTS, ESTATES, AND CORPORATIONS BY
13 ONE PERCENT (1%) FOR EACH INCOME BRACKET TO FUND
14 THE ARKANSAS RAINY DAY FUND; AND FOR OTHER
15 PURPOSES.
16

Subtitle

17 AN ACT TO CREATE THE ARKANSAS RAINY DAY
18 FUND; TO INCREASE THE INCOME TAX BY ONE
19 PERCENT (1%) TO FUND THE ARKANSAS RAINY
20 DAY FUND.
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24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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26 SECTION 1. (a) There is created on the books of the Treasurer of
27 State, the Auditor of State, and the Chief Fiscal Officer of the State a
28 special revenue fund to be known as the "Arkansas Rainy Day Fund."

29 (b) The fund shall consist of one percent (1%) of all revenues
30 collected under 26-51-201(a) and 26-51-205(a) and (b) and generated by the
31 increase in income taxes as provided in this act after January 1, 2003.

32 (c) The fund shall be used in the event of continued economic distress
33 during the fiscal year ending June 30, 2003, and as provided by law.
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35 SECTION 2. Arkansas Code 26-51-201(a), regarding the percentage of
36 income tax levied against every resident, individual, trust, and estate, is

1 amended to read as follows:

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

7 (1) On the first two thousand nine hundred ninety-nine dollars
8 (\$2,999) of net income or any part thereof, ~~one percent (1%)~~ two percent
9 (2%);

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

13 (3) On the next three thousand dollars (\$3,000) of net income or
14 any part thereof, ~~three and one-half percent (3 1/2%)~~ four and one-half
15 percent (4 1/2%);

16 (4) On the next six thousand dollars (\$6,000) of net income or
17 any part thereof, ~~four and one-half percent (4 1/2%)~~ five and one-half
18 percent (5 1/2%);

19 (5) On the next ten thousand dollars (\$10,000) of net income or
20 any part thereof, ~~six percent (6%)~~ seven percent (7%);

21 (6) On net income of twenty-five thousand dollars (\$25,000) and
22 above, ~~seven percent (7%)~~ eight percent (8%).

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24 SECTION 3. Arkansas Code 26-51-205(a) and (b), regarding the
25 percentage of corporate income tax, is amended to read as follows:

26 (a) Every corporation organized under the laws of this state shall pay
27 annually an income tax with respect to carrying on or doing business on the
28 entire net income of the corporation, as now defined by the laws of the State
29 of Arkansas, received by such corporation during the income year, on the
30 following basis:

31 (1) On the first \$3,000 of net income or any part thereof~~1%~~
32 two percent (2%)

33 On the second \$3,000 net income or any part thereof ~~2%~~
34 three percent (3%)

35 On the next \$5,000 of net income or any part thereof ~~3%~~
36 four percent (4%)

1 On the next \$14,000 of net income or any part thereof 5%
2 six percent (6%)

3 On the next \$75,000 of net income or any part thereof, but not
4 exceeding \$100,000 ~~6%~~ seven percent (7%)

5 (2) On net income exceeding \$100,000, a flat rate of ~~six and~~
6 ~~one-half (6 1/2%) percent~~ seven and one half percent (7½%) shall be applied
7 to the entire net income.

8 (b) Every foreign corporation doing business within the jurisdiction
9 of this state shall pay annually an income tax on the proportion of its
10 entire net income as now determined by the income tax laws of Arkansas, on
11 the following basis:

12 (1) On the first \$3,000 of net income or any part thereof ~~1%~~
13 two percent (2%)

14 On the second \$3,000 of net income or any part thereof ~~2%~~
15 three percent (3%)

16 On the next \$5,000 of net income or any part thereof ~~3%~~
17 four percent (4%)

18 On the next \$14,000 of net income or any part thereof 5%
19 six percent (6%)

20 On the next \$75,000 of net income or any part thereof, but not
21 exceeding \$100,000 ~~6%~~ seven percent (7%)

22 (2) On net income exceeding \$100,000, a flat rate of ~~six and~~
23 ~~one-half percent (6 1/2%)~~ seven and one-half percent (7½%) shall be applied
24 to the entire net income.

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