

1 State of Arkansas  
2 92nd General Assembly  
3 Regular Session, 2019

# A Bill

HOUSE BILL 1870

4  
5 By: Representative Richey

## For An Act To Be Entitled

8 AN ACT CONCERNING THE INCOME TAX IMPOSED ON CERTAIN  
9 INDIVIDUALS; TO ALLOW CERTAIN INDIVIDUALS TO ELECT TO  
10 PAY TAXES AT THE RATE IMPOSED IN A BORDERING STATE;  
11 AND FOR OTHER PURPOSES.

## Subtitle

15 TO ALLOW CERTAIN INDIVIDUALS TO ELECT TO  
16 PAY TAXES AT THE RATE IMPOSED IN A  
17 BORDERING STATE.

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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 Title 26, Chapter 51, Subchapter 2, is  
23 amended to add an additional section to read as follows:

24 26-51-208. Border cities – Tax rate – Election for certain  
25 individuals.

26 (a) As used in this section:

27 (1) "Border city" means a city or incorporated town in this  
28 state that adjoins the Arkansas state line;

29 (2) "Bordering state" means a state that is adjacent to a border  
30 city;

31 (3) "Qualified individual" means an individual who is at least  
32 sixty-five (65) years of age and who is a resident of a border city; and

33 (4) "Retirement income" includes without limitation Social  
34 Security benefits, pensions, annuity payments, distributions from retirement  
35 accounts, and any other retirement benefits.

36 (b) A qualified individual may elect to:



1           (1) Have his or her retirement income be subject to the tax  
 2 imposed under this chapter, including any exemptions, or the tax imposed on  
 3 retirement income under the laws of the bordering state that adjoins the  
 4 border city, including any exemptions; or

5           (2) Have his or her income be subject to the tax imposed under  
 6 this chapter, including any exemptions, or the tax imposed on individuals who  
 7 are at least sixty-five (65) years of age under the laws of the bordering  
 8 state that adjoins the border city, including any exemptions.

9           (c) An individual electing to be subject to the taxes imposed on  
 10 income under the laws of a bordering state under this section shall file with  
 11 his or income tax return a sworn statement in writing that the person is a  
 12 resident of the border city being used to determine the bordering state for  
 13 the election.

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 15           SECTION 2. EFFECTIVE DATE. This act is effective for tax years  
 16 beginning on or after January 1, 2019.