Stricken language would be deleted from and underlined language would be added to present law.

Act 669 of the Regular Session

State of Arkansas

As Engrossed: H3/13/19

A Bill

HOUSE BILL 1721

Regular Session, 2019

By: Representative M. Gray

For An Act To Be Entitled

AN ACT TO CLARIFY THE INCOME TAX EXEMPTION FOR
SERVICE PAY OR ALLOWANCES RECEIVED BY ACTIVE DUTY
MEMBERS OF THE ARMED FORCES; AND FOR OTHER PURPOSES.

Subtitle

TO CLARIFY THE INCOME TAX EXEMPTION FOR
SERVICE PAY OR ALLOWANCES RECEIVED BY
ACTIVE DUTY MEMBERS OF THE ARMED FORCES.

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

SECTION 1. Arkansas Code § 26-51-306(a)(1)(D), concerning the income
tax exemption for compensation and benefits from military service, is amended
to read as follows:

(D)(i) For tax years beginning on or after January 1, 2014, the service pay or allowance received by an active duty member of the armed services is exempt from the income tax imposed under this chapter.

(ii) “Active duty member of the armed services” means all members of the armed forces, including the National Guard and Reserve units.

SECTION 2. Arkansas Code § 26-51-306(c), concerning the income tax exemption for compensation and benefits from military service, is amended to read as follows:

(c) As used in this section, “armed:

(1) “Active duty member of the armed forces” means a member s in
the armed forces of the United States, including without limitation full-time
training duty, annual training duty, and attendance while in the active
military service at a school designated as a service school by law or by the
secretary of the relevant military department;

(2)(A) “Armed forces” means the United States Army, United
States Navy, United States Air Force, United States Marine Corps, and United
States Coast Guard, the National Guard, and the reserve components of the
United States Army, United States Navy, United States Air Force, United
States Marine Corps, and United States Coast Guard.

(B) “Armed forces” does not include:

(i) A military technician (dual status) under 10
U.S.C. § 10216(a)(1), as it existed on January 1, 2019;
(ii) The National Oceanic and Atmospheric
Administration Commissioned Officer Corps; or
(iii) The United States Commissioned Corps of the
Public Health Service; and

(3) “Armed services” means any and all members of the National
Guard, reserve components of the armed forces, United States Army, United
States Navy, United States Marine Corps, United States Coast Guard, United
States Air Force, and any and all other branches of the military and naval
forces or auxiliaries National Oceanic and Atmospheric Administration
Commissioned Officer Corps, and United States Commissioned Corps of the
Public Health Service.

SECTION 3. EFFECTIVE DATE. Sections 1 and 2 of this act are effective
for tax years beginning on or after January 1, 2020.

/s/M. Gray

APPROVED: 4/3/19