

Hall of the House of Representatives
86th General Assembly - Regular Session, 2007
Amendment Form

Subtitle of-

----- House Bill No. 2665

"TO REDUCE INCOME TAX LEVELS BASED ON A FORMULA RELATED TO YEARLY
INFLATION-ADJUSTED INCREASES IN THE NET GENERAL REVENUE."

Amendment No. 1 to House Bill No. 2665.

Amend House Bill No. 2665 as originally introduced:

Add Senators Altes, Baker, Hendren, and Pritchard as cosponsors of the bill

AND

Add Representatives Allen, Anderson, Baker, Berry, Brown, Burkes, Chesterfield, Creekmore, Dunn, D. Evans, Gaskill, George, Glidewell, Green, Greenberg, Hall, Hardwick, Harris, Hutchinson, Hyde, Kenney, Key, King, Lamoureux, M. Martin, Maxwell, Medley, Norton, Overbey, Pace, Patterson, Pierce, Pyle, Ragland, Roebuck, Rogers, Rosenbaum, Sample, Schulte, Sullivan, Walters, Wells, Wills, and Woods as cosponsors of the bill

AND

Delete lines 9 through 15 and substitute the following:
"AN ACT TO IMPROVE OPPORTUNITY FOR ALL ARKANSANS TO SECURE HIGHER PAYING JOBS BY INCREASING THE RETENTION OF CAPITAL WITHIN THE STATE AND TO ATTRACT NEW INVESTMENT TO THE STATE; TO REDUCE THE INCOME TAX RATES OF THE STATE OF ARKANSAS WHEN NET GENERAL REVENUES ARE SUFFICIENT; TO REDUCE INCOME TAX LEVELS BASED ON A FORMULA RELATED TO INFLATION-ADJUSTED MARGIN OF GROWTH; AND FOR OTHER PURPOSES."

AND

Delete the subtitle in its entirety and substitute:
"THE INCOME TAX PLEDGE ACT OF 2007."

AND

Delete everything after the enacting clause and substitute the following:
"SECTION 1. Arkansas Code Title 26, Chapter 51, Subchapter 4 is amended to add an additional section to read as follows:



26-51-455. Reduction of income tax.

(a) As used in this section, "Inflation adjusted margin of growth" means a yearly amount adjusted at the close of the fiscal year, but not later than August 31 of that calendar year, by the "Consumer Price Index for All Urban Consumers", as published by the United States Department of Labor, or its successor, for that fiscal year.

(b) If the net general revenue collected from taxes by the state for fiscal year 2008 reach or exceed four billion seven hundred million dollars (\$4,700,000,000), the income tax rate is reduced by one-quarter of one percent for all income brackets and shall remain at the new rate, effective January 1, 2009 for income taxes paid in taxable year 2008.

(c) For fiscal year 2009, the inflation-adjusted margin of growth shall be two hundred fifty million dollars (\$250,000,000) adjusted by the Consumer Price Index for All Urban Consumers for that fiscal year as published by the United States Department of Labor, or its successor.

(d) For any fiscal year following fiscal year 2009, the current Inflation Adjusted Margin of Growth shall be determined by adjusting the Inflation Adjusted Margin of Growth of the previous fiscal year by the CPI-U of the current fiscal year.

(e) For any fiscal year following fiscal year 2009, should the net general revenue of that fiscal year exceed the highest net general revenue of any previous fiscal year by amount greater than the current fiscal year's inflation-adjusted margin of growth, the income tax rate shall be reduced by one-quarter of one percent (1/4 %) effective January 1st of the following calendar year for income taxes paid in the previous calendar year, until the maximum tax rate for any tax bracket shall be no more than three percent (3%).

(f) The Department of Finance and Administration shall promulgate rules to implement this section."

The Amendment was read _____
By: Representative Garner
LMG/RCK - 03-13-2007 16:29
LMG200

Chief Clerk