

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

1 State of Arkansas
2 87th General Assembly
3 Regular Session, 2009

A Bill

HOUSE BILL 1447

4
5 By: Representative Woods
6 By: Senator J. Key

For An Act To Be Entitled

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10 AN ACT TO EXEMPT OVERTIME AND CERTAIN BONUS PAY
11 FROM ARKANSAS INCOME TAXATION; AND FOR OTHER
12 PURPOSES.

Subtitle

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15 "THE ARKANSAS WORKERS' REWARD ACT OF
16 2009".

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

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21 SECTION 1. Arkansas Code Title 26, Chapter 51, Subchapter 3 is amended
22 to add the following additional section:

23 26-51-312. Overtime and bonus pay.

24 (a) As used in this section:

25 (1) "Bonus" means money or other property paid to an employee in
26 addition to the employee's regular or base salaries, wages, or compensation;

27 (2) "Employee" means an individual subject to the Arkansas
28 Income Tax Act of 1929, § 26-51-101 et seq., who performs or performed
29 services for an employer in exchange for salaries, wages, or compensation;

30 (3) "Employer" means a person or other entity who has control of
31 the payment of salaries, wages, or compensation to an individual for services
32 performed; and

33 (4) "Overtime" means the portion of the salaries, wages, or
34 compensation paid to an employee for any work performed in excess of the
35 standard forty (40) hours per week to an employee not exempt from the federal
36 Fair Labor Standards Act of 1938, 29 U.S.C. § 201 et.al, as in effect on



1 January 1, 2003.

2 (b) There is exempted from state individual income tax the following
3 types of income:

4 (1) Bonus income paid by an employer to an employee during any
5 tax year up to ten thousand dollars (\$10,000); and

6 (2) Salaries, wages, or compensation income paid by an employer
7 to an employee for overtime.

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9 SECTION 2. Effective Date. This act is effective for tax years
10 beginning on and after January 1, 2009.

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