

1 State of Arkansas
2 93rd General Assembly
3 Regular Session, 2021
4

A Bill

HOUSE BILL 1967

5 By: Representative Dotson
6 By: Senator Hester
7

For An Act To Be Entitled

9 AN ACT TO AMEND THE INCOME TAX LEVIED ON INDIVIDUALS,
10 TRUSTS, AND ESTATES; TO REDUCE THE INCOME TAX LEVIED
11 ON INDIVIDUALS, TRUSTS, AND ESTATES FROM FIVE AND
12 NINE-TENTHS PERCENT (5.9%) TO FOUR AND NINE-TENTHS
13 PERCENT (4.9%); AND FOR OTHER PURPOSES.
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Subtitle

16 TO REDUCE THE INCOME TAX LEVIED ON
17 INDIVIDUALS, TRUSTS, AND ESTATES FROM
18 FIVE AND NINE-TENTHS PERCENT (5.9%) TO
19 FOUR AND NINE-TENTHS PERCENT (4.9%).
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23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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25 SECTION 1. Arkansas Code § 26-51-201(a), concerning the income tax
26 levied on individuals, trusts, and estates, is amended to read as follows:

27 (a) ~~(1) For tax years beginning on and after January 1, 2014, a tax is~~
28 ~~imposed upon, and with respect to, the entire income of every resident,~~
29 ~~individual, trust, or estate. The tax shall be levied, collected, and paid~~
30 ~~annually upon the entire net income as defined and computed in this chapter~~
31 ~~at the following rates, giving effect to the tax credits provided hereafter,~~
32 ~~in the manner set forth:~~

33 ~~(1) On the first four thousand two hundred ninety-nine dollars~~
34 ~~(\$4,299) of net income or any part thereof, nine tenths percent (0.9%);~~

35 ~~(2) On the next four thousand one hundred dollars (\$4,100) of~~
36 ~~net income or any part thereof, two and five tenths percent (2.5%);~~



~~(3) On the next four thousand two hundred dollars (\$4,200) of net income or any part thereof, three and five tenths percent (3.5%);~~

~~(4) On the next eight thousand four hundred dollars (\$8,400) of net income or any part thereof, four and five tenths percent (4.5%);~~

~~(5) On the next fourteen thousand one hundred dollars (\$14,100) of net income or any part thereof, six percent (6%);~~

~~(6) On net income of thirty five thousand one hundred dollars (\$35,100) and above, seven percent (7%);~~

~~(7) Every resident, individual, trust, or estate having net income greater than or equal to twenty-two thousand two hundred dollars (\$22,200), but less than or equal to seventy-nine thousand three hundred dollars (\$79,300), shall determine the amount of income tax due under this subsection in accordance with the table set forth below as follows:~~

(A) For tax years beginning on or after January 1, 2020, the amount of income tax due under this subsection shall be determined according to the following table:

From	Less Than or Equal To	Rate
\$0	\$4,499	0.75%
\$4,500	\$8,899	2.5%
\$8,900	\$13,399	3.5%
\$13,400	\$22,199	4.5%
\$22,200	\$37,199	5%
\$37,200	\$79,300	5.9%

(B) For the tax year beginning January 1, 2022, the amount of income tax due under this subsection shall be determined according to the following table:

<u>From</u>	<u>Less Than or Equal To</u>	<u>Rate</u>
<u>\$0</u>	<u>\$4,499</u>	<u>0.75%</u>
<u>\$4,500</u>	<u>\$8,899</u>	<u>2.5%</u>
<u>\$8,900</u>	<u>\$13,399</u>	<u>3.5%</u>
<u>\$13,400</u>	<u>\$22,199</u>	<u>4.5%</u>
<u>\$22,200</u>	<u>\$37,199</u>	<u>5%</u>
<u>\$37,200</u>	<u>\$79,300</u>	<u>5.4%</u>

(C) For tax years beginning on or after January 1, 2023, the amount of income tax due under this subsection shall be determined according to the following table:

<u>From</u>	<u>Less Than or Equal To</u>	<u>Rate</u>
<u>\$0</u>	<u>\$4,499</u>	<u>0.75%</u>
<u>\$4,500</u>	<u>\$8,899</u>	<u>2.5%</u>
<u>\$8,900</u>	<u>\$13,399</u>	<u>3.5%</u>
<u>\$13,400</u>	<u>\$22,199</u>	<u>4.5%</u>
<u>\$22,200</u>	<u>\$37,199</u>	<u>5%</u>
<u>\$37,200</u>	<u>\$79,300</u>	<u>4.9%</u>

8 ~~(8)(2)~~ Every resident, individual, trust, or estate having net
 9 income of less than twenty-two thousand two hundred dollars (\$22,200) shall
 10 determine the amount of income tax due under this subsection in accordance
 11 with the table set forth below:

<u>From</u>	<u>Less Than or Equal To</u>	<u>Rate</u>
<u>\$0</u>	<u>\$4,499</u>	<u>0%</u>
<u>\$4,500</u>	<u>\$8,899</u>	<u>2%</u>
<u>\$8,900</u>	<u>\$13,399</u>	<u>3%</u>
<u>\$13,400</u>	<u>\$22,199</u>	<u>3.4%</u>

17 ~~(9)(A)(3)~~ ~~For the tax year beginning January 1, 2020, every~~
 18 Every resident, individual, trust, or estate having net income of more than
 19 seventy-nine thousand three hundred dollars (\$79,300) shall determine the
 20 amount of income tax due under this subsection ~~in accordance with the table~~
 21 ~~set forth below~~ as follows:

22 (A) For the tax year beginning January 1, 2020, the amount
 23 of income tax due under this subsection shall be determined according to the
 24 following table:

<u>From</u>	<u>Less Than or Equal To</u>	<u>Rate</u>
<u>\$0</u>	<u>\$4,000</u>	<u>2%</u>
<u>\$4,001</u>	<u>\$8,000</u>	<u>4%</u>
<u>\$8,001</u>	<u>\$79,300</u>	<u>5.9%</u>
<u>\$79,301 and above</u>		<u>6.6%</u>

30 (B) For tax years beginning on and after the tax year
 31 beginning January 1, 2021, ~~every resident, individual, trust, or estate~~
 32 ~~having net income of more than seventy nine thousand three hundred dollars~~
 33 ~~(\$79,300) shall determine the amount of income tax due under this subsection~~
 34 ~~in accordance with the table set forth below~~ the amount of income tax due
 35 under this subsection shall be determined according to the following table:

<u>From</u>	<u>Less Than or Equal To</u>	<u>Rate</u>
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1	\$0	\$4,000	2%
2	\$4,001	\$8,000	4%
3	\$8,001 and above		5.9%

4 (C) For the tax year beginning January 1, 2022, the amount
 5 of income tax due under this subsection shall be determined according to the
 6 following table:

7	<u>From</u>	<u>Less Than or Equal To</u>	<u>Rate</u>
8	<u>\$0</u>	<u>\$4,000</u>	<u>2%</u>
9	<u>\$4,001</u>	<u>\$8,000</u>	<u>4%</u>
10	<u>\$8,001 and above</u>		<u>5.4%</u>

11 (D) For tax years beginning on or after January 1, 2023,
 12 the amount of income tax due under this subsection shall be determined
 13 according to the following table:

14	<u>From</u>	<u>Less Than or Equal To</u>	<u>Rate</u>
15	<u>\$0</u>	<u>\$4,000</u>	<u>2%</u>
16	<u>\$4,001</u>	<u>\$8,000</u>	<u>4%</u>
17	<u>\$8,001 and above</u>		<u>4.9%</u>

18 ~~(10)~~(4) Every resident, individual, trust, or estate having net
 19 income of more than seventy-nine thousand three hundred dollars (\$79,300),
 20 but not more than eighty-four thousand six hundred dollars (\$84,600), shall
 21 reduce the amount of income tax due as determined under subdivision ~~(a)(9)~~
 22 (a)(3) of this section by deducting a bracket adjustment amount in accordance
 23 with the table set forth below:

24	<u>From</u>	<u>Less Than or Equal To</u>	<u>Bracket Adjustment Amount</u>
25	<u>\$79,301</u>	<u>\$80,300</u>	<u>\$440</u>
26	<u>\$80,301</u>	<u>\$81,300</u>	<u>\$340</u>
27	<u>\$81,301</u>	<u>\$82,500</u>	<u>\$240</u>
28	<u>\$82,501</u>	<u>\$83,600</u>	<u>\$140</u>
29	<u>\$83,601</u>	<u>\$84,600</u>	<u>\$40</u>
30	<u>\$84,601 and above</u>		<u>\$0</u>

31 ~~(11)~~(5) The tables set forth in ~~subdivisions (a)(1)-(10) of this~~
 32 ~~section~~ this subsection shall be adjusted annually in accordance with the
 33 method set forth in subsection (d) of this section.

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