

1 State of Arkansas  
2 82nd General Assembly  
3 Regular Session, 1999

# A Bill

HOUSE BILL 1231

4  
5 By: Representative Bond  
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## For An Act To Be Entitled

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9 "AN ACT TO AMEND ARKANSAS CODE 26-51-307 TO INCREASE  
10 THE EXEMPTION FROM STATE INCOME TAX FOR RETIREMENT OR  
11 DISABILITY BENEFITS; AND FOR OTHER PURPOSES. "

## Subtitle

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14 "AN ACT TO INCREASE THE EXEMPTION FROM  
15 STATE INCOME TAX FOR RETIREMENT OR  
16 DISABILITY BENEFITS. "

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18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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20 SECTION 1. Arkansas Code 26-51-307 is amended to read as follows:

21 "26-51-307. Retirement or disability benefits.

22 (a) The first ~~six thousand dollars (\$6,000)~~ eight thousand dollars  
23 (\$8,000) of retirement or disability benefits received ~~after December 31, 1988~~  
24 during a tax year, by any resident of this state from public or private  
25 employment-related retirement systems, plans, or programs, regardless of the  
26 method of funding for such systems, plans, or programs, shall be exempt from  
27 the state income tax.

28 (b)(1) Except as provided in subdivision (3) of this subsection, the  
29 exemption provided for in this section for benefits received from a public or  
30 private employment-related retirement or disability system, plan, or program  
31 shall be the only exemption from state income taxes allowed for retirement or  
32 disability benefits received from any publicly or privately supported system,  
33 plan, or program, excepting only benefits received under systems, plans, or  
34 programs which are by federal law exempt from state income taxes.

35 (2) Any resident of this state who prior to January 1, 1989,  
36 received both military retirement or disability pay and other retirement or

1 disability benefits shall be entitled to claim only one (1) ~~six thousand~~  
 2 ~~dollar~~ deduction ~~beginning with tax year 1989.~~

3 (3) The provisions of this section shall not apply to retirement  
 4 or disability benefits received under a plan, system, or fund described in  
 5 § 26-51-404(b)(7).

6 (c) No recipient of retirement or disability benefits from public or  
 7 private employment-related retirement systems, plans, or programs shall be  
 8 allowed to deduct or recover his cost of contribution in the plan when  
 9 computing his income for state income tax purposes.

10 (d) An individual who is sixty-five (65) years of age or older and who  
 11 does not claim an exemption under subsection (a) of this section shall be  
 12 entitled to an additional state income tax credit of twenty dollars (\$20.00).  
 13 This credit is in addition to all other credits allowed by law."  
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15 SECTION 2. This act shall be effective for tax years beginning after  
 16 December 31, 1998.  
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18 SECTION 3. All provisions of this Act of a general and permanent nature  
 19 are amendatory to the Arkansas Code of 1987 Annotated and the Arkansas Code  
 20 Revision Commission shall incorporate the same in the Code.  
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22 SECTION 4. If any provision of this Act or the application thereof to  
 23 any person or circumstance is held invalid, such invalidity shall not affect  
 24 other provisions or applications of the Act which can be given effect without  
 25 the invalid provision or application, and to this end the provisions of this  
 26 Act are declared to be severable.  
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28 SECTION 5. All laws and parts of laws in conflict with this Act are  
 29 hereby repealed.  
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