

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.

State of Arkansas

As Engrossed: H3/1/01

83rd General Assembly

A Bill

Regular Session, 2001

HOUSE BILL 1042

By: Representative Prater

For An Act To Be Entitled

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

Subtitle

TO EXEMPT CERTAIN BONUS PAY FROM ARKANSAS
INCOME TAXATION.

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

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

26-51-311. Bonus pay.

(a) There shall be exempted from state individual income tax the first five hundred dollars (\$500) of bonus income paid by an employer to an employee during any calendar year.

(b) As used in this section, unless the context otherwise requires:

(1) "Bonus" means money or other property paid to an employee in addition to the regular or base compensation or wages;

(2) "Employee" means any individual subject to the Arkansas Income Tax Act, beginning at § 26-51-101, who performs or performed services for an employer in exchange for wages;

(3) "Employer" means a person or other entity who has control of the payment of wages to an individual for services performed.

SECTION 2. [THE ARKANSAS CODE REVISION COMMISSION IS NOT REQUIRED TO CODIFY THIS SECTION.] The provisions of this act shall be effective for tax years beginning on and after January 1, 2001.

/s/ Prater

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