1   State of Arkansas

A Bill

2   84th General Assembly

3   Regular Session, 2003   HOUSE BILL   1006

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5   By: Representative L. Prater

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8   **For An Act To Be Entitled**

9   AN ACT TO EXEMPT OVERTIME AND CERTAIN BONUS PAY

10   FROM ARKANSAS INCOME TAXATION; AND FOR OTHER

11   PURPOSES.

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13   **Subtitle**

14   TO EXEMPT OVERTIME AND CERTAIN BONUS PAY

15   FROM ARKANSAS INCOME TAXATION.

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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 Title 26, Chapter 51, Subchapter 3 is amended

21   to add the following additional section:

22   26-51-311. Overtime and bonus pay.

23   (a) As used in this section:

24   (1) "Bonus" means money or other property paid to an employee in

25   addition to the regular or base compensation or wages;

26   (2) "Employee" means any individual subject to the Arkansas

27   Income Tax Act, § 26-51-101 et seq., who performs or performed services for

28   an employer in exchange for wages;

29   (3) "Employer" means a person or other entity who has control of

30   the payment of wages to an individual for services performed; and

31   (4) "Overtime" means the portion of the wages paid to an

32   employee for any work performed in excess of the standard forty (40) hours

33   per week to employees not exempt from provisions of the federal Fair Labor

34   Standards Act as in effect on January 1, 2003.

35   (b) There is exempted from state individual income tax the following

36   types of income:

1   (1)   The first five hundred dollars ($500) of bonus income paid

2 by an employer to an employee during any tax year; and

3   (2) Compensation paid by an employer to an employee for

4 overtime.

5   (c) This section is effective for tax years beginning on and after

6 January 1, 2003.

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