

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 84th General Assembly
3 Regular Session, 2003

A Bill

SENATE BILL 61

4
5 By: Senators Womack, B. Johnson, Altes, Holt, J. Jeffress, G. Jeffress, T. Smith, Whitaker
6 By: Representatives Key, Harris, Agee, Berry, Biggs, Bledsoe, Borhauer, Hutchinson, King, Lamoureux,
7 Matayo, Mathis, Medley, Parks, Roebuck, Rosenbaum, J. Taylor, C. Taylor, Verkamp

For An Act To Be Entitled

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9
10 AN ACT TO INCREASE THE AMOUNT OF THE RETIREMENT
11 OR DISABILITY BENEFITS INCOME TAX EXEMPTION; AND
12 FOR OTHER PURPOSES.
13

Subtitle

14
15 AN ACT TO INCREASE THE AMOUNT OF THE
16 RETIREMENT OR DISABILITY BENEFITS INCOME
17 TAX EXEMPTION.
18

19
20
21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

22
23 SECTION 1. Arkansas Code § 26-51-307(a)(1), regarding the amount of
24 the retirement or disability benefits income tax exemption, is amended to
25 read as follows:

26 (a)(1)(A) For tax years ending before January 1, 2003, The the first
27 six thousand dollars (\$6,000) of benefits received by any resident of this
28 state from an individual retirement account or the first six thousand dollars
29 (\$6,000) of retirement benefits received by any resident of this state from
30 public or private employment-related retirement systems, plans, or programs,
31 regardless of the method of funding for these systems, plans, or programs,
32 shall be exempt from the state income tax.

33 (B) For tax years beginning on or after January 1, 2003,
34 the first seven thousand five hundred dollars (\$7,500) of benefits received
35 by any resident of this state from an individual retirement account or the
36 first seven thousand five hundred dollars (\$7,500) of retirement benefits



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1 received by any resident of this state from public or private employment-
2 related retirement systems, plans, or programs, regardless of the method of
3 funding for these systems, plans, or programs, shall be exempt from the state
4 income tax.

5 (C) For tax years beginning on or after January 1, 2004,
6 the first nine thousand dollars (\$9,000) of benefits received by any resident
7 of this state from an individual retirement account or the first nine
8 thousand dollars (\$9,000) of retirement benefits received by any resident of
9 this state from public or private employment-related retirement systems,
10 plans, or programs, regardless of the method of funding for these systems,
11 plans, or programs, shall be exempt from the state income tax.

12 (D) For tax years beginning on or after January 1, 2005,
13 the first twelve thousand dollars (\$12,000) of benefits received by any
14 resident of this state from an individual retirement account or the first
15 twelve thousand dollars (\$12,000) of retirement benefits received by any
16 resident of this state from public or private employment-related retirement
17 systems, plans, or programs, regardless of the method of funding for these
18 systems, plans, or programs, shall be exempt from the state income tax.

19 (E) For tax years beginning on or after January 1, 2006,
20 and each subsequent tax year, the exemption provided under subdivision
21 (a)(1)(D) shall be increased by three percent (3%) for each tax year.

22
23 SECTION 2. Arkansas Code § 26-51-307(b)(1)(B), regarding the amount of
24 the retirement or disability benefits income tax exemption, is amended to
25 read as follows:

26 (B) No taxpayer shall receive an exemption greater than
27 ~~six thousand dollars (\$6,000)~~ the amount allowed in this section for each tax
28 year, including increases in the exemption under this subsection (a)(1)(D),
29 during any tax year under the provisions of this section.