

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
4

As Engrossed: S3/5/03
A Bill

SENATE BILL 61

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
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10 **For An Act To Be Entitled**

11 AN ACT TO INCREASE THE AMOUNT OF THE RETIREMENT
12 OR DISABILITY BENEFITS INCOME TAX EXEMPTION; AND
13 FOR OTHER PURPOSES.
14

15 **Subtitle**

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



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 and each subsequent tax year, the exemption provided under subdivision
14 (a)(1)(C) shall be increased by three percent (3%) for each tax year.

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

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

23
24 SECTION 3. Arkansas Code § 26-26-310(b)(2)(C), concerning
25 distributions from the Property Tax Relief Trust Fund, is amended to read as
26 follows:

27 (C)(i) Commencing December 31, 2002, and each December 31
28 thereafter, the Chief Fiscal Officer of the State, in cooperation with the
29 Legislative Council and the Legislative Auditor, shall determine that portion
30 of the balance remaining that is in excess of the required reimbursement to
31 the counties and shall certify the excess to the Treasurer of State.

32 (ii)(a) Each fiscal year the Director of the
33 Department of Finance and Administration shall determine the cost in the
34 previous fiscal year of the tax exemption under § 26-51-307(a)(1) and the
35 cost that would have been incurred by the state if the tax exemption had
36 remained at six thousand dollars (\$6,000), and shall certify the difference

1 to the Treasurer of State. To the extent that sufficient funds are
2 available, the Treasurer of State shall transfer the amount from excess funds
3 under this subdivision (b)(2)(C) to the General Revenue Fund Account of the
4 State Apportionment Fund.

5 (b) ~~Such~~ Any excess funds remaining after the
6 distribution under subdivision (b)(2)(C)(ii)(a) may be used in accordance
7 with subsequent legislation to provide additional tax relief or financial
8 assistance to school districts that incur a reduction in revenue as a direct
9 result of Arkansas Constitution, Amendment 79.

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11 /s/ Womack
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