

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

A Bill

SENATE BILL 801

5 By: Revenue & Tax - Senate
6
7

For An Act To Be Entitled

9 AN ACT TO IMPOSE A SIX AND ONE-HALF PERCENT (6½%)
10 FLAT TAX ON CORPORATIONS WITH TOTAL NET INCOME
11 EXCEEDING ONE HUNDRED THOUSAND DOLLARS
12 (\$100,000); AND FOR OTHER PURPOSES.
13

Subtitle

14 AN ACT TO IMPOSE A SIX AND ONE-HALF
15 PERCENT (6½%) FLAT TAX ON CORPORATIONS
16 WITH TOTAL NET INCOME EXCEEDING ONE
17 HUNDRED THOUSAND DOLLARS (\$100,000).
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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23 SECTION 1. Arkansas Code § 26-51-205(a) and (b), pertaining to
24 corporation income tax, are amended to read as follows:

25 (a) Except as provided in subsection (a)(1) of this section, every
26 ~~Every~~ corporation organized under the laws of this state shall pay annually
27 an income tax with respect to carrying on or doing business on the entire net
28 income of the corporation, as now defined by the laws of the State of
29 Arkansas, received by such corporation during the income year, on the
30 following basis:

- 31 (1) On the first \$3,000 of net income or any part thereof ...1 %
- 32 On the second \$3,000 net income or any part thereof 2 %
- 33 On the next \$5,000 of net income or any part thereof 3 %
- 34 On the next \$14,000 of net income or any part thereof 5 %
- 35 On the next \$75,000 of net income or any part thereof,
- 36 but not exceeding \$100,000 6 %



1 (2) ~~On net income exceeding \$100,000, a flat rate of six and~~
2 ~~one-half (6 1/2 %) shall be applied to the entire net income. If the total~~
3 net income of a corporation exceeds \$100,000, then instead of the tax imposed
4 by § 26-51-205(a)(1), there is hereby imposed a tax of six and one-half
5 (6.5%) percent on the entire net income of the corporation.

6 (b) Except as provided in subsection (a)(2) of this section, every
7 ~~Every~~ foreign corporation doing business within the jurisdiction of this
8 state shall pay annually an income tax on the proportion of its entire net
9 income as now determined by the income tax laws of Arkansas, on the following
10 basis:

- 11 (1) On the first \$3,000 of net income or any part thereof .. 1 %
- 12 On the second \$3,000 of net income or any part thereof 2 %
- 13 On the next \$5,000 of net income or any part thereof 3 %
- 14 On the next \$14,000 of net income or any part thereof 5 %
- 15 On the next \$75,000 of net income or any part thereof,
- 16 but not exceeding \$100,000 6 %

17 (2) ~~On net income exceeding \$100,000, a flat rate of six and one-~~
18 ~~half percent (6 1/2%) shall be applied to the entire net income. If the~~
19 total net income of a corporation exceeds \$100,000, then instead of the tax
20 imposed by § 26-51-205(b)(1), there is hereby imposed a tax of six and one-
21 half (6.5%) percent on the entire net income of the corporation.

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