

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 86th General Assembly  
3 Regular Session, 2007  
4

# A Bill

HOUSE BILL 1184

5 By: Representatives S. Prater, Wood, Adcock, Anderson, Bond, Breedlove, E. Brown, J. Brown, Burris,  
6 Cash, Cook, Cornwell, D. Creekmore, Dickinson, Dunn, Edwards, D. Evans, L. Evans, Garner, Gaskill,  
7 George, Glidewell, R. Green, Hall, Hardwick, Hoyt, D. Hutchinson, Hyde, Jeffrey, Kenney, Key, Kidd,  
8 King, Lamoureux, Lovell, M. Martin, Maxwell, Medley, Moore, Norton, Overbey, Pate, Patterson,  
9 Pennartz, Pierce, Pyle, Ragland, Reep, J. Roebuck, Rosenbaum, Sample, Saunders, Stewart, Sullivan,  
10 Thyer, Walters, Webb, Wells, Wills, Woods, Wyatt

11 By: Senators Hill, Altes, Baker, J. Jeffress, Salmon, Trusty, J. Taylor, T. Smith, Whitaker  
12  
13

## For An Act To Be Entitled

15 AN ACT TO ALLOW MILITARY OFFICERS OF THE ARMED  
16 SERVICES TO RECEIVE THE SAME INCOME TAX EXEMPTION  
17 AS ENLISTED PERSONNEL OF THE ARMED SERVICES; AND  
18 FOR OTHER PURPOSES.  
19

## Subtitle

21 TO ALLOW MILITARY OFFICERS OF THE ARMED  
22 SERVICES TO RECEIVE THE SAME INCOME TAX  
23 EXEMPTION AS ENLISTED PERSONNEL OF THE  
24 ARMED SERVICES.  
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27 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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29 SECTION 1. Arkansas Code § 26-51-306 is amended as follows:

30 26-51-306. Compensation and benefits from military service.

31 (a)(1)(A) For tax years beginning before January 1, 2007, ~~No~~ no member  
32 of the armed services of the United States shall be liable for or required to  
33 pay any income tax on the first six thousand dollars (\$6,000) of service pay  
34 or allowances.

35 (B)(i) ~~For tax years beginning on and after January 1,~~  
36 ~~2005,~~ 2005 and 2006, enlisted personnel of the armed services of the State of



1 Arkansas or of the United States shall not be liable for or required to pay  
 2 any income tax on the first nine thousand dollars (\$9,000) of service pay or  
 3 allowances.

4 ~~(C)(ii) Officers~~ For tax years 2005 and 2006, an officer  
 5 or a warrant officer of the armed services of the State of Arkansas or of the  
 6 United States ~~are~~ is only entitled to the exemption in subdivision (a)(1)(A)  
 7 of this section and ~~are~~ is not entitled to the exemption in subdivision  
 8 (a)(1)(B)(i) of this section.

9 (C) For tax years beginning on and after January 1, 2007,  
 10 any member of the armed services of the State of Arkansas or the United  
 11 States is not liable for or required to pay any income tax on the first nine  
 12 thousand dollars (\$9,000) of service pay or allowance.

13 (2) The compensation and benefits are declared exempt, to the  
 14 extent of the amounts provided in subdivision (a)(1) of this section, from  
 15 the state income tax.

16 (3) All service pay or allowances of members of the armed  
 17 services of the State of Arkansas or the United States in excess of the  
 18 amounts provided in subdivision (a)(1) of this section shall be subject to  
 19 the state income tax, unless otherwise provided for in this section.

20 (4)(A) Sections 112 and 692 of the Internal Revenue Code of  
 21 1986, as in effect on ~~January 1, 2005~~ January 1, 2007, regarding combat zone  
 22 compensation of members of the armed forces and income taxes of members of  
 23 the armed forces on death are adopted.

24 (B) The provisions contained in § 112 of the Internal  
 25 Revenue Code are in addition to all other provisions contained in this  
 26 section.

27 (b) Nothing in this section shall exempt from taxation the income of  
 28 members of the armed services derived from other sources than their service  
 29 pay and allowances.

30 (c) As used in this section, "armed services" means any and all  
 31 members of the National Guard, reserve components of the armed forces, United  
 32 States Army, Navy, Marine Corps, Coast Guard, Air Force, and any and all  
 33 other branches of the military and naval forces or auxiliaries.

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