

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

As Engrossed: H1/24/07

# 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, *Reynolds, Everett, Harris, Allen, Pace, Cooper,*  
11 *Chesterfield, T. Bradford, Berry, S. Dobbins, Petrus, Wagner, J. Johnson, Harrelson, Rogers, Powers,*  
12 *House, Cheatham, Davenport, Lowery, Abernathy, Pickett, T. Baker, Shelby*  
13 By: Senators Hill, Altes, Baker, J. Jeffress, Salmon, Trusty, J. Taylor, T. Smith, Whitaker  
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## For An Act To Be Entitled

17 AN ACT TO ALLOW MILITARY OFFICERS OF THE ARMED  
18 SERVICES TO RECEIVE THE SAME INCOME TAX EXEMPTION  
19 AS ENLISTED PERSONNEL OF THE ARMED SERVICES; AND  
20 FOR OTHER PURPOSES.  
21

### Subtitle

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

32 26-51-306. Compensation and benefits from military service.

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



1                   (B)(i) For tax years ~~beginning on and after January 1,~~  
2 ~~2005, 2005 and 2006,~~ enlisted personnel of the armed services of the State of  
3 Arkansas or of the United States shall not be liable for or required to pay  
4 any income tax on the first nine thousand dollars (\$9,000) of service pay or  
5 allowances.

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

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

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

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

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

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

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

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

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*/s/ S. Prater, et al*