

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 H1/25/07

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, Faris, Capps,
14 Miller, Critcher
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16

For An Act To Be Entitled

18 AN ACT TO ALLOW MILITARY OFFICERS OF THE ARMED
19 SERVICES TO RECEIVE THE SAME INCOME TAX EXEMPTION
20 AS ENLISTED PERSONNEL OF THE ARMED SERVICES; AND
21 FOR OTHER PURPOSES.
22

Subtitle

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

33 26-51-306. Compensation and benefits from military service.

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



1 or allowances.

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

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

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

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

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

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

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

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

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

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/s/ S. Prater, et al