

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: H3/14/07 H3/16/07

# A Bill

HOUSE BILL 2665

5 By: Representatives Garner, Allen, Anderson, T. Baker, Berry, E. Brown, Burkes, Chesterfield, D.  
6 Creekmore, Dunn, D. Evans, Gaskill, George, Glidewell, R. Green, Greenberg, Hall, Hardwick, Harris,  
7 D. Hutchinson, Hyde, Kenney, Key, King, Lamoureux, M. Martin, Maxwell, Medley, Norton, Overbey,  
8 Pace, Patterson, Pierce, Pyle, Ragland, J. Roebuck, Rogers, Rosenbaum, Sample, Schulte, Sullivan,  
9 Walters, Wells, Wills, Woods  
10 By: Senators Altes, Baker, Hendren, B. Pritchard  
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## For An Act To Be Entitled

13 AN ACT TO IMPROVE OPPORTUNITY FOR ALL ARKANSANS  
14 TO SECURE HIGHER PAYING JOBS BY INCREASING THE  
15 RETENTION OF CAPITAL WITHIN THE STATE AND TO  
16 ATTRACT NEW INVESTMENT TO THE STATE; TO REDUCE  
17 THE INCOME TAX RATES OF THE STATE OF ARKANSAS  
18 WHEN NET GENERAL REVENUES ARE SUFFICIENT; TO  
19 REDUCE INCOME TAX LEVELS BASED ON A FORMULA  
20 RELATED TO INFLATION-ADJUSTED MARGIN OF GROWTH;  
21 AND FOR OTHER PURPOSES.  
22

## Subtitle

23 THE INCOME TAX PLEDGE ACT OF 2007.  
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28 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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30 SECTION 1. Arkansas Code Title 26, Chapter 51, Subchapter 4 is amended  
31 to add an additional section to read as follows:

32 26-51-455. Reduction of income tax.

33 (a) As used in this section, "Inflation adjusted margin of growth"  
34 means a yearly amount adjusted at the close of the fiscal year, but not later  
35 than August 31 of that calendar year, by the "Consumer Price Index for All  
36 Urban Consumers", as published by the United States Department of Labor, or



1 its successor, for that fiscal year.

2 (b) If the net general revenue collected from taxes by the state for  
3 fiscal year 2008 reach or exceed four billion seven hundred million dollars  
4 (\$4,700,000,000), the income tax rates levied in §§ 26-51-201 and 26-51-202  
5 shall be reduced by one-quarter of one percent for all income brackets and  
6 shall remain at the new rate, effective January 1, 2009 for income taxes due  
7 for taxable year 2008.

8 (c) For fiscal year 2009, the inflation-adjusted margin of growth  
9 shall be two hundred fifty million dollars (\$250,000,000) adjusted by the  
10 Consumer Price Index for All Urban Consumers for that fiscal year as  
11 published by the United States Department of Labor, or its successor.

12 (d) For any fiscal year following fiscal year 2009, the current  
13 Inflation Adjusted Margin of Growth shall be determined by adjusting the  
14 Inflation Adjusted Margin of Growth of the previous fiscal year by the CPI-U  
15 of the current fiscal year.

16 (e) For fiscal year 2009 and following, should the net general revenue  
17 of that fiscal year exceed the highest net general revenue of any previous  
18 fiscal year by amount greater than the current fiscal year's inflation-  
19 adjusted margin of growth, the income tax rates levied in §§ 26-51-201 and  
20 26-51-202 shall be reduced by one-quarter of one percent (1/4 %) effective  
21 January 1st of the following calendar year for income taxes due for the  
22 previous calendar year, until the maximum tax rate for any tax bracket shall  
23 be no more than three percent (3%).

24 (f) The Department of Finance and Administration shall promulgate  
25 rules to implement this section.

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27 /s/ Garner, et al  
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