1   State of Arkansas

2   86th General Assembly

A Bill

3   Regular Session, 2007   SENATE BILL 77

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5   By: Senator Hendren

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8   **For An Act To Be Entitled**

9   AN ACT TO REDUCE THE INCOME TAX LIABILITY OF

10   EVERY PERSON REQUIRED TO FILE AN ARKANSAS INCOME

11   TAX RETURN BY THREE PERCENT (3%) FOR TAX YEARS

12   BEGINNING IN CALENDAR YEARS 2007 AND 2008; AND

13   FOR OTHER PURPOSES.

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15   **Subtitle**

16   TO REDUCE INCOME TAX LIABILITY BY THREE

17   PERCENT (3%) FOR TAX YEARS 2007 AND

18   2008.

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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 Title 26, Chapter 51, is amended to add an

24   additional section to read as follows:

25   26-51-208. Income tax reduction.

26   (a) Notwithstanding taxes levied by §§ 26-51-201 et seq., 26-51-301,

27   and 26-51-302, the income tax liability of every person required to file an

28   Arkansas income tax return is reduced by three percent (3%).

29   (b)(1) If an individual is a resident of an Arkansas border city

30   described in § 26-52-601 et seq., the individual is eligible for the income

31   tax reduction in subsection (a) of this section.

32   (2) The reduction in tax liability is computed on the tax

33   liability that would have been due had the income tax exemption of § 26-52-

34   601 et seq. not been available.

35   (c) As used in this section, "tax liability" means the taxes imposed

36   pursuant to §§ 26-51-201 et seq., 26-51-301, and 26-51-302 before the

1 application of any tax credits.

2   (d) This section shall apply to tax years beginning in calendar years

3 2007 and 2008.

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