

State of Arkansas
86th General Assembly
Regular Session, 2007

A Bill

SENATE BILL 9

By: Senator Hendren

For An Act To Be Entitled

AN ACT TO REDUCE THE INCOME TAX LIABILITY OF
EVERY PERSON REQUIRED TO FILE AN ARKANSAS INCOME
TAX RETURN BY THREE PERCENT (3%) FOR TAX YEARS
BEGINNING IN CALENDAR YEARS 2007 AND 2008; AND
FOR OTHER PURPOSES.

Subtitle

TO REDUCE INCOME TAX LIABILITY BY THREE
PERCENT (3%) FOR TAX YEARS 2007 AND
2008.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code Title 26, Chapter 51, is amended to add an additional subchapter to read as follows:

26-51-208. Income tax reduction.

(a) Notwithstanding taxes levied by §§ 26-51-201 et seq., 26-51-301, and 26-51-302, the income tax liability of every person required to file an Arkansas income tax return is reduced by three percent (3%).

(b)(1) If an individual is a resident of an Arkansas border city described in § 26-52-601 et seq., the individual is eligible for the income tax reduction in subsection (a) of this section.

(2) The reduction in tax liability is computed on the tax liability that would have been due had the income tax exemption of § 26-52-601 et seq. not been available.

(3) The income tax exemption of § 26-52-601 et seq. shall not apply to the income tax reduction in subsection (a) of this section.



1 (c) As used in this section, "tax liability" means the taxes imposed
2 pursuant to §§ 26-51-201 et seq., 26-51-301, and 26-51-302 before the
3 application of any tax credits.

4 (d) This section shall apply only to tax years beginning in calendar
5 years 2007 and 2008.