

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 88th General Assembly
3 Regular Session, 2011

A Bill

HOUSE BILL 1038

4
5 By: Representative D. Altes

For An Act To Be Entitled

8 AN ACT TO REDUCE THE INDIVIDUAL INCOME TAX RATE AND
9 INCREASE THE SALES AND USE TAX RATE; AND FOR OTHER
10 PURPOSES.

Subtitle

11
12
13
14 TO REDUCE THE INDIVIDUAL INCOME TAX RATE
15 AND INCREASE THE SALES AND USE TAX RATE.

16
17
18 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

19
20 SECTION 1. Arkansas Code § 26-51-201(a)(6), concerning income tax
21 rates, is amended to read as follows:

22 (6) On net income of twenty-five thousand dollars (\$25,000) and above,
23 ~~seven percent (7%),~~ the tax rate:

24 (A) For tax years beginning before January 1, 2012, is
25 seven percent (7%);

26 (B) For the tax year beginning in 2012, is five and one-
27 half percent (5.5%);

28 (C) For the tax year beginning in 2013, is four and one-
29 half percent (4.5%); and

30 (D) For the tax years beginning on or after January 1,
31 2014, is four percent (4%).

32
33 SECTION 2. Arkansas Code § 26-52-302, concerning additional sales tax,
34 is amended to add a new subsection to read as follows:

35 (e)(1) Except for food and food ingredients that are taxed under § 26-
36 52-317, there is levied an additional excise tax upon all taxable sales of



1 property and services subject to the tax levied by this chapter, as follows:

2 (A) From January 1, 2012, through December 31, 2012, one
 3 percent (1%);

4 (B) From January 1, 2013, through December 31, 2013, two
 5 percent (2%); and

6 (C) Beginning January 1, 2014, three percent (3%).

7 (2) The tax shall be collected, reported, and paid in the same
 8 manner and at the same time as prescribed by this chapter for the collection,
 9 reporting, and payment of Arkansas gross receipts taxes.

10
 11 SECTION 3. Arkansas Code § 26-53-107, concerning additional use tax,
 12 is amended to add a new subsection to read as follows:

13 (e)(1) There is levied an additional excise tax upon all tangible
 14 personal property and taxable services subject to the tax levied by this
 15 subchapter, except for food and food ingredients that are taxed under § 26-
 16 53-145, as follows:

17 (A) From January 1, 2012, through December 31, 2012, one
 18 percent (1%);

19 (B) From January 1, 2013, through December 31, 2013, two
 20 percent (2%); and

21 (C) Beginning January 1, 2014, three percent (3%).

22 (2) The tax shall be collected, reported, and paid in the same
 23 manner and at the same time as is prescribed by this subchapter for the
 24 collection, reporting, and payment of Arkansas compensating taxes.

25
 26 SECTION 4. Effective date. Section 1 of this act is effective for tax
 27 years beginning on or after January 1, 2012.