

1 State of Arkansas *As Engrossed: H3/13/13 H4/1/13 S4/18/13*

2 89th General Assembly

# A Bill

3 Regular Session, 2013

HOUSE BILL 1585

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5 By: Representatives Collins, D. Altes, Baird, Ballinger, Bell, Bragg, J. Burris, Carter, Clemmer, Cozart,  
6 Davis, Deffenbaugh, Dotson, C. Douglas, Farrer, Fite, Gossage, Hammer, Harris, Hickerson, Hobbs,  
7 House, Lea, Lowery, D. Meeks, S. Meeks, Miller, Neal, Payton, Scott, Shepherd, Westerman  
8 By: Senators D. Sanders, Rapert

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## For An Act To Be Entitled

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11 AN ACT TO AMEND THE INCOME TAX RATES AND BRACKETS FOR  
12 INDIVIDUALS, TRUSTS, AND ESTATES; TO ADJUST THE  
13 MINIMUM AND MAXIMUM DOLLAR AMOUNTS IN CERTAIN INCOME  
14 TAX BRACKETS FOR INDIVIDUALS, TRUSTS, AND ESTATES;  
15 AND FOR OTHER PURPOSES.

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## Subtitle

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*TO AMEND THE INCOME TAX RATES AND  
BRACKETS; AND TO ADJUST THE MINIMUM AND  
MAXIMUM DOLLAR AMOUNTS IN CERTAIN INCOME  
TAX BRACKETS.*

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

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*SECTION 1. Arkansas Code § 26-51-201(a), concerning the income tax on  
individuals, trusts, and estates, is amended to read as follows:*

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*(a) A For tax years beginning on and after January 1, 2012, a tax is  
imposed upon, and with respect to, the entire income of every resident,  
individual, trust, or estate. The tax shall be levied, collected, and paid  
annually upon the entire net income as defined and computed in this chapter  
at the following rates, giving effect to the tax credits provided hereafter,  
in the manner set forth:*

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*(1)(A) On the first ~~two thousand nine hundred ninety nine~~  
~~dollars (\$2,999)~~ four thousand ninety-nine dollars (\$4,099) of net income or*



1 any part thereof, one percent (1%)~~+~~.

2 (B) For tax years beginning on and after January 1, 2014,  
3 on the first four thousand ninety-nine dollars (\$4,099) of net income or any  
4 part thereof, nine-tenths percent (0.9%);

5 (2)(A) On the next ~~three thousand dollars (\$3,000)~~ four thousand  
6 one hundred dollars (\$4,100) of net income or any part thereof, ~~two and one-~~  
7 half percent (~~2½%~~); two and five-tenths percent (2.5%).

8 (B) For tax years beginning on and after January 1, 2015,  
9 on the next four thousand one hundred dollars (\$4,100) of net income or any  
10 part thereof, two and four-tenths percent (2.4%);

11 (3)(A) On the next ~~three thousand dollars (\$3,000)~~ four thousand  
12 dollars (\$4,000) of net income or any part thereof, ~~three and one-half~~  
13 percent (~~3½%~~); three and five-tenths percent (3.5%).

14 (B) For tax years beginning on and after January 1, 2015,  
15 on the next four thousand dollars (\$4,000) of net income or any part thereof,  
16 three and four-tenths percent (3.4%);

17 (4)(A) On the next ~~six thousand dollars (\$6,000)~~ eight thousand  
18 two hundred dollars (\$8,200) of net income or any part thereof, ~~four and one-~~  
19 half percent (~~4½%~~); four and five-tenths percent (4.5%).

20 (B) For tax years beginning on and after January 1, 2015,  
21 on the next eight thousand two hundred dollars (\$8,200) of net income or any  
22 part thereof, four and four-tenths percent (4.4%);

23 (5)(A) On the next ~~ten thousand dollars (\$10,000)~~ thirteen  
24 thousand six hundred dollars (\$13,600) of net income or any part thereof, six  
25 percent (6%); ~~and.~~

26 (B) For tax years beginning on and after January 1, 2015,  
27 on the next thirteen thousand six hundred dollars (\$13,600) of net income or  
28 any part thereof, five and nine-tenths percent (5.9%); and

29 (6)(A) On net income of ~~twenty-five thousand dollars (\$25,000)~~  
30 thirty-four thousand dollars (\$34,000) and above, seven percent (7%).

31 (B) For tax years beginning on and after January 1, 2015,  
32 on net income of thirty-four thousand dollars (\$34,000) and above, six and  
33 nine-tenths percent (6.9%).

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35 SECTION 2. Arkansas Code § 26-51-201(d), concerning the cost-of-living  
36 adjustment for the income tax rates applicable to individuals, trusts, and

1 *estates, is amended to read as follows:*

2 *(d)(1) ~~Not later than December 15 of 1998, and each subsequent~~*  
3 *~~calendar year, the~~ The Director of the Department of Finance and*  
4 *Administration shall prescribe annually a table which shall apply in lieu of*  
5 *the table contained in subsection (a) of this section with respect to each*  
6 *succeeding taxable years ~~beginning in the succeeding calendar year. The~~*  
7 *~~Director of the Department of Finance and Administration~~ director shall*  
8 *increase the minimum and maximum dollar amounts for each rate bracket,*  
9 *rounding to the nearest one hundred dollars (\$100), for which a tax is*  
10 *imposed under ~~such~~ the table by the cost-of-living adjustment for ~~such~~ each*  
11 *calendar year and by not changing the rate applicable to any rate bracket as*  
12 *adjusted. ~~The yearly cost-of-living adjustment increase in each rate bracket~~*  
13 *~~as provided in subdivision (d)(2) of this section shall apply to the brackets~~*  
14 *~~as contained in subsection (a) of this section as in effect on January 1,~~*  
15 *~~1998.~~*

16 *(2) For purposes of subdivision (d)(1) of this section, the*  
17 *cost-of-living adjustment for ~~any~~ a calendar year is the percentage, if any,*  
18 *by which the CPI for the current calendar year ~~preceding the taxable year~~*  
19 *exceeds the CPI for the preceding calendar year ~~1997~~, not to exceed three*  
20 *percent (3%). The CPI for any calendar year is the average of the Consumer*  
21 *Price Index as of the close of the twelve-month period ending on August 31 of*  
22 *such calendar year. "Consumer Price Index" means the last Consumer Price*  
23 *Index for All Urban Consumers published by the United States Department of*  
24 *Labor.*

25 *(3) The new tables, as adjusted annually, ~~shall apply for tax~~*  
26 *~~returns filed for taxable year 1999 and thereafter, and shall be used by the~~*  
27 *director in preparing the income tax withholding tables pursuant to § 26-51-*  
28 *907.*

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30 */s/Collins*  
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