

1 State of Arkansas  
2 90th General Assembly  
3 Regular Session, 2015  
4

# A Bill

HOUSE BILL 1007

5 By: Representative Linck  
6

## For An Act To Be Entitled

8 AN ACT TO REDUCE THE INCOME TAX RATES FOR  
9 INDIVIDUALS, TRUSTS, AND ESTATES; TO OFFSET THE  
10 REVENUES GENERATED BY SALES TAX COLLECTED FROM OUT-  
11 OF-STATE SELLERS BY REDUCING THE INCOME TAX RATES  
12 APPLICABLE TO INDIVIDUALS, TRUSTS, AND ESTATES; AND  
13 FOR OTHER PURPOSES.  
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## Subtitle

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17 TO OFFSET THE REVENUES GENERATED BY SALES  
18 TAX COLLECTED FROM OUT-OF-STATE SELLERS  
19 BY REDUCING THE INCOME TAX RATES  
20 APPLICABLE TO INDIVIDUALS, TRUSTS, AND  
21 ESTATES.  
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23

24 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
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26 SECTION 1. Arkansas Code § 26-51-201, concerning the income tax  
27 imposed on individuals, trusts, and estates, is amended to add an additional  
28 subsection to read as follows:

29 (e) If the director determines that federal law authorizes the state  
30 to collect sales and use tax from sellers that do not have a physical  
31 presence in the state, then after the first twelve (12) months of collecting  
32 sales and use tax from sellers that do not have a physical presence in the  
33 state the director shall:

34 (1) Certify to the Governor and the Office of Economic and Tax  
35 Policy the amount of available net general revenues attributable to the  
36 collection of sales and use tax from sellers that do not have a physical



1 presence in the state during the first twelve (12) months of collections;

2 (2)(A) Determine how much the income tax rates in this section  
3 shall be reduced in the following taxable year to offset the amount certified  
4 under subdivision (e)(1) of this section.

5 (B) The income tax rates in this section shall be reduced  
6 equally under subdivision (e)(2)(A) of this section;

7 (3) Certify the amount of the reduction of the income tax rates  
8 under this subsection to the Governor and the Office of Economic and Tax  
9 Policy; and

10 (4) Incorporate the reduced income tax rates into the table  
11 prescribed under subsection (d) of this section, which shall be applicable  
12 for each tax year thereafter.

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14 SECTION 2. EFFECTIVE DATE. This act is effective for tax years  
15 beginning on and after January 1, 2015.