

1 State of Arkansas
2 93rd General Assembly
3 Regular Session, 2021
4
5 By: Representative Ray
6 By: Senator M. Johnson
7

A Bill

HOUSE BILL 1190

For An Act To Be Entitled

9 AN ACT TO AMEND THE INDIVIDUAL INCOME TAX LAWS; TO
10 PROVIDE A COST-OF-LIVING ADJUSTMENT FOR THE STANDARD
11 DEDUCTION; AND FOR OTHER PURPOSES.

Subtitle

15 TO AMEND THE INDIVIDUAL INCOME TAX LAWS;
16 AND TO PROVIDE A COST-OF-LIVING
17 ADJUSTMENT FOR THE STANDARD DEDUCTION.
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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22 SECTION 1. Arkansas Code § 26-51-430, concerning the standard income
23 tax deduction, is amended to add an additional subsection to read as follows:

24 (c)(1) The Secretary of the Department of Finance and Administration
25 shall increase annually the standard deduction provided under subsection (b)
26 of this section by the cost-of-living adjustment for the current calendar
27 year, rounding the amount to the nearest ten dollars (\$10.00).

28 (2)(A)(i) For purposes of subdivision (c)(1) of this section,
29 the cost-of-living adjustment for a calendar year is the percentage, if any,
30 by which the Consumer Price Index for the current calendar year exceeds the
31 Consumer Price Index for the preceding calendar year, not to exceed three
32 percent (3%).

33 (ii) If the Consumer Price Index for the current
34 calendar year does not exceed the Consumer Price Index for the preceding
35 calendar year, the standard deduction shall not be adjusted under this
36 subsection for that year.



1 (B) The Consumer Price Index for a calendar year is the
2 average of the Consumer Price Index as of the close of the twelve-month
3 period ending on August 31 of that calendar year.

4 (C) As used in this subsection, "Consumer Price Index"
5 means the most recent Consumer Price Index for all Urban Consumers published
6 by the United States Department of Labor.

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8 SECTION 2. EFFECTIVE DATE. Section 1 of this act is effective for tax
9 years beginning on or after January 1, 2021.

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