

1 State of Arkansas  
2 94th General Assembly  
3 Regular Session, 2023  
4

# A Bill

SENATE BILL 549

5 By: Senator J. Dismang  
6 By: Representative Eaves  
7

## For An Act To Be Entitled

9 AN ACT TO AMEND THE INCOME TAX LAWS; TO REDUCE THE  
10 INCOME TAX RATES APPLICABLE TO INDIVIDUALS, TRUSTS,  
11 ESTATES, AND CORPORATIONS; AND FOR OTHER PURPOSES.  
12  
13

### Subtitle

14 TO REDUCE THE INCOME TAX RATES APPLICABLE  
15 TO INDIVIDUALS, TRUSTS, ESTATES, AND  
16 CORPORATIONS.  
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20 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
21

22 SECTION 1. Arkansas Code § 26-51-201(a)(2), concerning the income tax  
23 imposed on individuals, trusts, and estates, is amended to read as follows:

24 (2) For tax years beginning on or after January 1, 2023:

25 (A) Every resident, individual, trust, or estate having  
26 net income less than or equal to eighty-seven thousand dollars (\$87,000)  
27 shall determine the amount of income tax due under this subsection in  
28 accordance with the table set forth below:

<u>From</u>	<u>Less Than or Equal To</u>	<u>Rate</u>
<u>\$0</u>	<u>\$5,099</u>	<u>0%</u>
<u>\$5,100</u>	<u>\$10,299</u>	<u>2%</u>
<u>\$10,300</u>	<u>\$14,699</u>	<u>3%</u>
<u>\$14,700</u>	<u>\$24,299</u>	<u>3.4%</u>
<u>\$24,300</u>	<u>\$87,000</u>	<u>4.7%</u>

35 (B) Every resident, individual, trust, or estate having  
36 net income greater than eighty-seven thousand dollars (\$87,000) shall



1 determine the amount of income tax due under this subsection in accordance  
 2 with the table set forth below:

<u>From</u>	<u>Less Than or Equal To</u>	<u>Rate</u>
4 <u>\$0</u>	<u>\$4,400</u>	<u>2%</u>
5 <u>\$4,401</u>	<u>\$8,800</u>	<u>4%</u>
6 <u>\$8,801 and above</u>		<u>4.7%</u>

7 (C) Every resident, individual, trust, or estate having  
 8 net income greater than or equal to eighty-seven thousand one dollars  
 9 (\$87,001) but not greater than ninety-one thousand three hundred dollars  
 10 (\$91,300) shall reduce the amount of income tax due as determined under  
 11 subdivision (a)(2)(B) of this section by deducting a bracket adjustment  
 12 amount in accordance with the table set forth below:

<u>From</u>	<u>To</u>	<u>Bracket Adjustment Amount</u>
14 <u>\$87,001</u>	<u>\$87,100</u>	<u>\$430</u>
15 <u>\$87,101</u>	<u>\$87,200</u>	<u>\$420</u>
16 <u>\$87,201</u>	<u>\$87,300</u>	<u>\$410</u>
17 <u>\$87,301</u>	<u>\$87,400</u>	<u>\$400</u>
18 <u>\$87,401</u>	<u>\$87,500</u>	<u>\$390</u>
19 <u>\$87,501</u>	<u>\$87,600</u>	<u>\$380</u>
20 <u>\$87,601</u>	<u>\$87,700</u>	<u>\$370</u>
21 <u>\$87,701</u>	<u>\$87,800</u>	<u>\$360</u>
22 <u>\$87,801</u>	<u>\$87,900</u>	<u>\$350</u>
23 <u>\$87,901</u>	<u>\$88,000</u>	<u>\$340</u>
24 <u>\$88,001</u>	<u>\$88,100</u>	<u>\$330</u>
25 <u>\$88,101</u>	<u>\$88,200</u>	<u>\$320</u>
26 <u>\$88,201</u>	<u>\$88,300</u>	<u>\$310</u>
27 <u>\$88,301</u>	<u>\$88,400</u>	<u>\$300</u>
28 <u>\$88,401</u>	<u>\$88,500</u>	<u>\$290</u>
29 <u>\$88,501</u>	<u>\$88,600</u>	<u>\$280</u>
30 <u>\$88,601</u>	<u>\$88,700</u>	<u>\$270</u>
31 <u>\$88,701</u>	<u>\$88,800</u>	<u>\$260</u>
32 <u>\$88,801</u>	<u>\$88,900</u>	<u>\$250</u>
33 <u>\$88,901</u>	<u>\$89,000</u>	<u>\$240</u>
34 <u>\$89,001</u>	<u>\$89,100</u>	<u>\$230</u>
35 <u>\$89,101</u>	<u>\$89,200</u>	<u>\$220</u>
36 <u>\$89,201</u>	<u>\$89,300</u>	<u>\$210</u>

1	<u>\$89,301</u>	<u>\$89,400</u>	<u>\$200</u>
2	<u>\$89,401</u>	<u>\$89,500</u>	<u>\$190</u>
3	<u>\$89,501</u>	<u>\$89,600</u>	<u>\$180</u>
4	<u>\$89,601</u>	<u>\$89,700</u>	<u>\$170</u>
5	<u>\$89,701</u>	<u>\$89,800</u>	<u>\$160</u>
6	<u>\$89,801</u>	<u>\$89,900</u>	<u>\$150</u>
7	<u>\$89,901</u>	<u>\$90,000</u>	<u>\$140</u>
8	<u>\$90,001</u>	<u>\$90,100</u>	<u>\$130</u>
9	<u>\$90,101</u>	<u>\$90,200</u>	<u>\$120</u>
10	<u>\$90,201</u>	<u>\$90,300</u>	<u>\$110</u>
11	<u>\$90,301</u>	<u>\$90,400</u>	<u>\$100</u>
12	<u>\$90,401</u>	<u>\$90,500</u>	<u>\$90</u>
13	<u>\$90,501</u>	<u>\$90,600</u>	<u>\$80</u>
14	<u>\$90,601</u>	<u>\$90,700</u>	<u>\$70</u>
15	<u>\$90,701</u>	<u>\$90,800</u>	<u>\$60</u>
16	<u>\$90,801</u>	<u>\$90,900</u>	<u>\$50</u>
17	<u>\$90,901</u>	<u>\$91,000</u>	<u>\$40</u>
18	<u>\$91,001</u>	<u>\$91,100</u>	<u>\$30</u>
19	<u>\$91,101</u>	<u>\$91,200</u>	<u>\$20</u>
20	<u>\$91,201</u>	<u>\$91,300</u>	<u>\$10</u>
21	<u>\$91,301 and up</u>		<u>\$0</u>

22                   (3) The tables set forth in ~~subdivision (a)(1)~~ subdivisions  
 23 (a)(1) and (2) of this section shall be adjusted annually in accordance with  
 24 the method set forth in subsection (d) of this section.

26           SECTION 2. Arkansas Code § 26-51-201(d)(1), concerning the income tax  
 27 imposed on individuals, trusts, and estates, is amended to read as follows:

28           (d)(1) The Secretary of the Department of Finance and Administration  
 29 shall prescribe annually ~~a table which~~ tables that shall apply in lieu of the  
 30 ~~table~~ tables contained in subsection (a) of this section with respect to each  
 31 succeeding taxable year. The secretary shall increase the minimum and maximum  
 32 dollar amounts for each rate bracket, rounding to the nearest one hundred  
 33 dollars (\$100), for which a tax is imposed under the table by the cost-of-  
 34 living adjustment for each calendar year and by not changing the rate  
 35 applicable to any rate bracket as adjusted.

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1 SECTION 3. Arkansas Code § 26-51-205(a)(4), concerning the income tax  
 2 imposed on domestic corporations, is amended to read as follows:

3 (4) For tax years beginning on or after January 1, 2023, every  
 4 corporation organized under the laws of this state shall pay annually an  
 5 income tax with respect to carrying on or doing business on the entire net  
 6 income of the corporation, as now defined by the laws of this state, received  
 7 by the corporation during the income year, on the following basis:

8 (A) On the first three thousand dollars (\$3,000) of  
 9 net income or any part thereof, one percent (1%);

10 (B) On the next three thousand dollars (\$3,000) of  
 11 net income or any part thereof, two percent (2%);

12 (C) On the next five thousand dollars (\$5,000) of  
 13 net income or any part thereof, three percent (3%);

14 (D) On the next fourteen thousand dollars (\$14,000)  
 15 of net income or any part thereof, five percent (5%); and

16 (E) On net income exceeding twenty-five thousand  
 17 dollars (\$25,000), ~~five and three-tenths percent (5.3%)~~ five and one-tenths  
 18 percent (5.1%).

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 20 SECTION 4. Arkansas Code § 26-51-205(b)(4), concerning the income tax  
 21 imposed on foreign corporations, is amended to read as follows:

22 (4) For tax years beginning on or after January 1, 2023, every  
 23 foreign corporation doing business within the jurisdiction of this state  
 24 shall pay annually an income tax on the proportion of its entire net income  
 25 as now defined by the income tax laws of this state, on the following basis:

26 (A) On the first three thousand dollars (\$3,000) of net  
 27 income or any part thereof, one percent (1%);

28 (B) On the next three thousand dollars (\$3,000) of net  
 29 income or any part thereof, two percent (2%);

30 (C) On the next five thousand dollars (\$5,000) of net  
 31 income or any part thereof, three percent (3%);

32 (D) On the next fourteen thousand dollars (\$14,000) of net  
 33 income or any part thereof, five percent (5%); and

34 (E) On net income exceeding twenty-five thousand dollars  
 35 (\$25,000), ~~five and three-tenths percent (5.3%)~~ five and one-tenths percent  
 36 (5.1%).