

1 State of Arkansas
2 92nd General Assembly
3 Regular Session, 2019
4

A Bill

HOUSE BILL 1721

5 By: Representative M. Gray
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For An Act To Be Entitled

8 AN ACT TO CLARIFY THE INCOME TAX EXEMPTION FOR
9 SERVICE PAY OR ALLOWANCES RECEIVED BY ACTIVE DUTY
10 MEMBERS OF THE ARMED FORCES; AND FOR OTHER PURPOSES.
11

Subtitle

12 TO CLARIFY THE INCOME TAX EXEMPTION FOR
13 SERVICE PAY OR ALLOWANCES RECEIVED BY
14 ACTIVE DUTY MEMBERS OF THE ARMED FORCES.
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19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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21 SECTION 1. Arkansas Code § 26-51-306(a)(1)(D), concerning the income
22 tax exemption for compensation and benefits from military service, is amended
23 to read as follows:

24 ~~(D)(i) For tax years beginning on or after January 1,~~
25 ~~2014, the~~ The service pay or allowance received by an active duty member of
26 the armed ~~services~~ forces is exempt from the income tax imposed under this
27 chapter.

28 ~~(ii) "Active duty member of the armed services"~~
29 ~~means all members of the armed forces, including the National Guard and~~
30 ~~Reserve units.~~
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32 SECTION 2. Arkansas Code § 26-51-306(c), concerning the income tax
33 exemption for compensation and benefits from military service, is amended to
34 read as follows:

35 (c) As used in this section, ~~"armed:~~

36 (1) "Active duty member of the armed forces" means a member



1 serving full-time duty in the armed forces of the United States, including
 2 without limitation full-time training duty, annual training duty, and
 3 attendance while in the active military service at a school designated as a
 4 service school by law or by the secretary of the relevant military
 5 department;

6 (2)(A) "Armed forces" means the United States Army, United
 7 States Navy, United States Air Force, United States Marine Corps, and United
 8 States Coast Guard.

9 (B) "Armed forces" does not include:

10 (i) A military technician (dual status) under 10
 11 U.S.C. § 10216(a)(1), as it existed on January 1, 2019;

12 (ii) The National Oceanic and Atmospheric
 13 Administration Commissioned Officer Corps; or

14 (iii) The United States Commissioned Corps of the
 15 Public Health Service; and

16 (3) "Armed services" means ~~any and all members of~~ the National
 17 Guard, reserve components of the armed forces, United States Army, United
 18 States Navy, United States Marine Corps, United States Coast Guard, United
 19 States Air Force, ~~and any and all other branches of the military and naval~~
 20 ~~forces or auxiliaries~~ National Oceanic and Atmospheric Administration
 21 Commissioned Officer Corps, and United States Commissioned Corps of the
 22 Public Health Service.

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 24 SECTION 3. EFFECTIVE DATE. Sections 1 and 2 of this act are effective
 25 for tax years beginning on or after January 1, 2020.