

1 State of Arkansas  
2 93rd General Assembly  
3 Second Extraordinary Session, 2021  
4

# A Bill

Call Item 1  
SENATE BILL 11

5 By: Senator T. Garner  
6

## For An Act To Be Entitled

8 AN ACT TO AMEND THE STATE INCOME TAX; TO REDUCE THE  
9 RATE OF TAX LEVIED ON CERTAIN INDIVIDUAL TAXPAYERS;  
10 AND FOR OTHER PURPOSES.  
11

## Subtitle

12  
13 TO AMEND THE STATE INCOME TAX; AND TO  
14 REDUCE THE RATE OF TAX LEVIED ON CERTAIN  
15 INDIVIDUAL TAXPAYERS.  
16

17  
18  
19 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
20

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

24 (a) ~~For tax years beginning on and after January 1, 2014, a~~ A tax is  
25 imposed upon, and with respect to, the entire income of every resident,  
26 individual, trust, or estate. The tax shall be levied, collected, and paid  
27 annually upon the entire net income as defined and computed in this chapter  
28 at the following rates, giving effect to the tax credits provided hereafter,  
29 in the manner set forth:

30 ~~(1) On the first four thousand two hundred ninety nine dollars~~  
31 ~~(\$4,299) of net income or any part thereof, nine tenths percent (0.9%);~~

32 ~~(2) On the next four thousand one hundred dollars (\$4,100) of~~  
33 ~~net income or any part thereof, two and five tenths percent (2.5%);~~

34 ~~(3) On the next four thousand two hundred dollars (\$4,200) of~~  
35 ~~net income or any part thereof, three and five tenths percent (3.5%);~~

36 ~~(4) On the next eight thousand four hundred dollars (\$8,400) of~~



1 ~~net income or any part thereof, four and five tenths percent (4.5%);~~

2 ~~(5) On the next fourteen thousand one hundred dollars (\$14,100)~~  
 3 ~~of net income or any part thereof, six percent (6%);~~

4 ~~(6) On net income of thirty five thousand one hundred dollars~~  
 5 ~~(\$35,100) and above, seven percent (7%);~~

6 ~~(7) Every resident, individual, trust, or estate having net~~  
 7 ~~income greater than or equal to twenty two thousand two hundred dollars~~  
 8 ~~(\$22,200), but less than or equal to seventy nine thousand three hundred~~  
 9 ~~dollars (\$79,300), shall determine the amount of income tax due under this~~  
 10 ~~subsection in accordance with the table set forth below:~~

11 From	Less Than or Equal To	Rate
12		
13 \$0	\$4,499	0.75%
14 \$4,500	\$8,899	2.5%
15 \$8,900	\$13,399	3.5%
16 \$13,400	\$22,199	4.5%
17 \$22,200	\$37,199	5%
18 \$37,200	\$79,300	5.9%

19

20 ~~(8) Every resident, individual, trust, or estate having net~~  
 21 ~~income of less than twenty two thousand two hundred dollars (\$22,200) shall~~  
 22 ~~determine the amount of income tax due under this subsection in accordance~~  
 23 ~~with the table set forth below:~~

24 From	Less Than or Equal To	Rate
25		
26 \$0	\$4,499	0%
27 \$4,500	\$8,899	2%
28 \$8,900	\$13,399	3%
29 \$13,400	\$22,199	3.4%

30

31 ~~(9)(A) For the tax year beginning January 1, 2020, every~~  
 32 ~~resident, individual, trust, or estate having net income of more than~~  
 33 ~~seventy nine thousand three hundred dollars (\$79,300) shall determine the~~  
 34 ~~amount of income tax due under this subsection in accordance with the table~~  
 35 ~~set forth below:~~

36 From	Less Than or Equal To	Rate
---------	-----------------------	------

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36

\$0	\$4,000	2%
\$4,001	\$8,000	4%
\$8,001	\$79,300	5.9%
\$79,301 and above		6.6%

~~(B) For tax years beginning on and after January 1, 2021, every resident, individual, trust, or estate having net income of more than seventy nine thousand three hundred dollars (\$79,300) shall determine the amount of income tax due under this subsection in accordance with the table set forth below:~~

From	Less Than or Equal To	Rate
\$0	\$4,000	2%
\$4,001	\$8,000	4%
\$8,001 and above		5.9%

~~(10) Every resident, individual, trust, or estate having net income of more than seventy nine thousand three hundred dollars (\$79,300), but not more than eighty four thousand six hundred dollars (\$84,600), shall reduce the amount of income tax due as determined under subdivision (a)(9) of this section by deducting a bracket adjustment amount in accordance with the table set forth below:~~

From	Less Than or Equal To	Bracket Adjustment Amount
\$79,301	\$80,300	\$440
\$80,301	\$81,300	\$340
\$81,301	\$82,500	\$240
\$82,501	\$83,600	\$140
\$83,601	\$84,600	\$40
\$84,601 and above		\$0

~~(11) The tables set forth in subdivisions (a)(1)-(10) of this section shall be adjusted annually in accordance with the method set forth in~~

1 ~~subsection (d) of this section.~~

2 (1)(A) On and after January 1, 2022, every resident, individual,  
 3 trust, or estate having net income equal to or less than twenty-six thousand  
 4 five hundred dollars (\$26,500) shall determine the amount of income tax due  
 5 under this subsection in accordance with the table set forth below:

6 <u>From</u>	<u>Less Than or Equal To</u>	<u>Rate</u>
8 <u>\$0</u>	<u>\$4,799</u>	<u>0%</u>
9 <u>\$4,800</u>	<u>\$9,499</u>	<u>0%</u>
10 <u>\$9,500</u>	<u>\$14,299</u>	<u>0%</u>
11 <u>\$14,300</u>	<u>\$26,500</u>	<u>0%</u>

12  
 13 (B) On and after January 1, 2022, every resident,  
 14 individual, trust, or estate having net income of greater than twenty-six  
 15 thousand five hundred dollars (\$26,500) and less than or equal to eighty-four  
 16 thousand five hundred dollars (\$84,500) shall determine the amount of income  
 17 tax due under this subsection in accordance with the table set forth below:

18 <u>From</u>	<u>Less Than or Equal To</u>	<u>Rate</u>
20 <u>\$0</u>	<u>\$9,999</u>	<u>0%</u>
21 <u>\$10,000</u>	<u>\$14,299</u>	<u>3.5%</u>
22 <u>\$14,300</u>	<u>\$23,599</u>	<u>4.5%</u>
23 <u>\$23,600</u>	<u>\$39,699</u>	<u>5%</u>
24 <u>\$39,700</u>	<u>\$84,500</u>	<u>5.5%</u>

25  
 26 (C)(i) On and after January 1, 2022, every resident,  
 27 individual, trust, or estate having net income of greater than eighty-four  
 28 thousand five hundred dollars (\$84,500) shall determine the amount of income  
 29 tax due under this subsection in accordance with the table set forth below:

30 <u>From</u>	<u>Less Than or Equal To</u>	<u>Rate</u>
32 <u>\$0</u>	<u>\$9,999</u>	<u>0%</u>
33 <u>\$10,000 and above</u>		<u>5.7%</u>

34  
 35 (ii) On and after January 1, 2022, every resident,  
 36 individual, trust, or estate having net income of eighty-four thousand five

1 hundred one dollars (\$84,501) and less than or equal to ninety thousand one  
 2 hundred dollars (\$90,100), shall reduce the amount of income tax due as  
 3 determined under subdivision (a)(1)(C)(i) of this section by deducting a  
 4 bracket adjustment amount in accordance with the table set forth below:

5 <u>From</u>	6 <u>Less Than or Equal To</u>	7 <u>Bracket</u>
		8 <u>Adjustment</u>
		9 <u>Amount</u>
10 <u>\$84,501</u>	<u>\$85,500</u>	<u>\$466.40</u>
11 <u>\$85,501</u>	<u>\$86,500</u>	<u>\$360.40</u>
12 <u>\$86,501</u>	<u>\$87,900</u>	<u>\$254.40</u>
13 <u>\$87,901</u>	<u>\$89,000</u>	<u>\$148.40</u>
14 <u>\$89,001</u>	<u>\$90,100</u>	<u>\$42.40</u>
15 <u>\$90,101 and above</u>		<u>\$0</u>

16 (2) The tables set forth in subdivision (a)(1) of this section  
 17 shall be adjusted annually in accordance with the method set forth in  
 18 subsection (d) of this section.

19  
 20 SECTION 2. DO NOT CODIFY. TEMPORARY LANGUAGE. Section 1 of this act  
 21 does not affect any taxpayer's obligations under § 26-51-201 that were  
 22 incurred before January 1, 2022.

23  
 24 SECTION 3. EFFECTIVE DATE. Section 1 of this act is effective for tax  
 25 years beginning on or after January 1, 2022.