

State of Arkansas  
95th General Assembly  
Regular Session, 2025

## A Bill

SENATE BILL 408

By: Senator B. Johnson  
By: Representative Eaves

### For An Act To Be Entitled

AN ACT TO PROVIDE AN INCOME TAX EXEMPTION FOR CERTAIN  
PAYMENTS BY THE UNITED STATES DEPARTMENT OF  
AGRICULTURE; AND FOR OTHER PURPOSES.

### Subtitle

TO PROVIDE AN INCOME TAX EXEMPTION FOR  
CERTAIN PAYMENTS BY THE UNITED STATES  
DEPARTMENT OF AGRICULTURE.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code § 26-51-316(a), concerning the income tax  
exemption allowed for disaster relief payments and rebates, is amended to  
read as follows:

(a) There is allowed an exemption from the income tax imposed under  
this chapter for:

(1) Payments made to a taxpayer by the United States Department  
of Agriculture under the Market Facilitation Program authorized by 15 U.S.C.  
§ 714c, as it existed on January 1, 2020; ~~and~~

(2) Recovery rebates provided by the United States Department of  
the Treasury under Section 2201 of the Coronavirus Aid, Relief, and Economic  
Security Act, Pub. L. No. 116-136; and

(3) Payments made to a taxpayer by the United States Department  
of Agriculture under programs authorized by Division B, Title I, of the  
American Relief Act of 2025, Pub. L. No. 118-158.

SECTION 2. EFFECTIVE DATE. Section 1 of this act is effective for tax



years beginning on or after January 1, 2025.

**APPROVED: 4/16/25**