

1 State of Arkansas  
2 95th General Assembly  
3 First Extraordinary Session, 2026  
4

# A Bill

HOUSE BILL 1001

5 By: Representatives Eaves, Evans, Maddox, Beaty Jr., Lundstrum, R. Burkes, McAlindon, Henley,  
6 Brooks, K. Moore, Pilkington, Underwood, M. Shepherd, Painter, Gazaway, Hollowell, Andrews,  
7 Womack, Dalby, K. Brown, Jean, N. Burkes, Cozart, Achor, C. Cooper, A. Brown, Duke, R. Scott  
8 Richardson, Childress, Furman, Wooten, Wooldridge, Walker, Ladyman, Long, Tosh, Gramlich, Torres,  
9 Steimel, Crawford, Holcomb, Eaton, B. McKenzie, McGrew, J. Moore, Ray, Rose, Bentley, McClure,  
10 Milligan, Puryear, M. McElroy, Richmond, Schulz, Vaught, Perry, Unger, S. Meeks, McCollum, Pearce,  
11 Hawk, Gonzales, Cavanaugh, Joey Carr, M. Brown, Barker, Wardlaw, L. Johnson, Warren, Lynch,  
12 Nazarenko, Eubanks, Beck, Breaux  
13 By: Senator J. Dismang  
14

## For An Act To Be Entitled

15 AN ACT TO REDUCE INCOME TAXES; TO REDUCE THE INCOME  
16 TAX RATES FOR INDIVIDUALS, TRUSTS, ESTATES, AND  
17 CORPORATIONS; AND FOR OTHER PURPOSES.  
18  
19  
20

## Subtitle

21 TO REDUCE THE INCOME TAX RATES FOR  
22 INDIVIDUALS, TRUSTS, ESTATES, AND  
23 CORPORATIONS.  
24  
25  
26

27 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
28

29 SECTION 1. Arkansas Code § 26-51-201(a)(4), concerning the income tax  
30 imposed on individuals, trusts, and estates, is amended to read as follows:

31 (4) For tax years beginning on or after January 1, 2026:

32 (A) Every resident, individual, trust, or estate having  
33 net income less than or equal to ninety-four thousand seven hundred dollars  
34 (\$94,700) shall determine the amount of income tax due under this subsection  
35 in accordance with the table set forth below:

36 From                      Less Than or Equal To                      Rate



1	<u>\$0</u>	<u>\$5,599</u>	<u>0%</u>
2	<u>\$5,600</u>	<u>\$11,199</u>	<u>2%</u>
3	<u>\$11,200</u>	<u>\$15,999</u>	<u>3%</u>
4	<u>\$16,000</u>	<u>\$26,399</u>	<u>3.4%</u>
5	<u>\$26,400</u>	<u>\$94,700</u>	<u>3.7%</u>

6                   (B) Every resident, individual, trust, or estate having  
 7 net income greater than ninety-four thousand seven hundred dollars (\$94,700)  
 8 shall determine the amount of income tax due under this subsection in  
 9 accordance with the table set forth below:

10	<u>From</u>	<u>Less Than or Equal To</u>	<u>Rate</u>
11	<u>\$0</u>	<u>\$4,700</u>	<u>2%</u>
12	<u>\$4,701 and above</u>		<u>3.7%</u>

13                   (C) Every resident, individual, trust, or estate having  
 14 net income greater than or equal to ninety-four thousand seven hundred one  
 15 dollars (\$94,701) but not greater than ninety-seven thousand six hundred  
 16 dollars (\$97,600) shall reduce the amount of income tax due as determined  
 17 under subdivision (a)(4)(B) of this section by deducting a bracket adjustment  
 18 amount in accordance with the table set forth below:

19	<u>From</u>	<u>Less Than or Equal To</u>	<u>Bracket Adjustment Amount</u>
20	<u>\$94,701</u>	<u>\$94,800</u>	<u>\$290</u>
21	<u>\$94,801</u>	<u>\$94,900</u>	<u>\$280</u>
22	<u>\$94,901</u>	<u>\$95,000</u>	<u>\$270</u>
23	<u>\$95,001</u>	<u>\$95,100</u>	<u>\$260</u>
24	<u>\$95,101</u>	<u>\$95,200</u>	<u>\$250</u>
25	<u>\$95,201</u>	<u>\$95,300</u>	<u>\$240</u>
26	<u>\$95,301</u>	<u>\$95,400</u>	<u>\$230</u>
27	<u>\$95,401</u>	<u>\$95,500</u>	<u>\$220</u>
28	<u>\$95,501</u>	<u>\$95,600</u>	<u>\$210</u>
29	<u>\$95,601</u>	<u>\$95,700</u>	<u>\$200</u>
30	<u>\$95,701</u>	<u>\$95,800</u>	<u>\$190</u>
31	<u>\$95,801</u>	<u>\$95,900</u>	<u>\$180</u>
32	<u>\$95,901</u>	<u>\$96,000</u>	<u>\$170</u>
33	<u>\$96,001</u>	<u>\$96,100</u>	<u>\$160</u>
34	<u>\$96,101</u>	<u>\$96,200</u>	<u>\$150</u>
35	<u>\$96,201</u>	<u>\$96,300</u>	<u>\$140</u>
36	<u>\$96,301</u>	<u>\$96,400</u>	<u>\$130</u>

1	<u>\$96,401</u>	<u>\$96,500</u>	<u>\$120</u>
2	<u>\$96,501</u>	<u>\$96,600</u>	<u>\$110</u>
3	<u>\$96,601</u>	<u>\$96,700</u>	<u>\$100</u>
4	<u>\$96,701</u>	<u>\$96,800</u>	<u>\$90</u>
5	<u>\$96,801</u>	<u>\$96,900</u>	<u>\$80</u>
6	<u>\$96,901</u>	<u>\$97,000</u>	<u>\$70</u>
7	<u>\$97,001</u>	<u>\$97,100</u>	<u>\$60</u>
8	<u>\$97,101</u>	<u>\$97,200</u>	<u>\$50</u>
9	<u>\$97,201</u>	<u>\$97,300</u>	<u>\$40</u>
10	<u>\$97,301</u>	<u>\$97,400</u>	<u>\$30</u>
11	<u>\$97,401</u>	<u>\$97,500</u>	<u>\$20</u>
12	<u>\$97,501</u>	<u>\$97,600</u>	<u>\$10</u>
13	<u>\$97,601 and over</u>		<u>\$0</u>

14           (5) The tables set forth in subdivisions ~~(a)(1)-(3)~~ (a)(1)-(4)  
 15 of this section shall be adjusted annually in accordance with the method set  
 16 forth in subsection (d) of this section.

17  
 18           SECTION 2. Arkansas Code § 26-51-205(a), concerning the income tax  
 19 levied on domestic corporations, is amended to add an additional subdivision  
 20 to read as follows:

21           (6) For tax years beginning on or after January 1, 2027, every  
 22 corporation organized under the laws of this state shall pay annually an  
 23 income tax with respect to carrying on or doing business on the entire net  
 24 income of the corporation, as now defined by the laws of this state, received  
 25 by the corporation during the income year, 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%); and

32                   (D) On net income exceeding eleven thousand dollars  
 33 (\$11,000), four and one-tenths percent (4.1%).

34  
 35           SECTION 3. Arkansas Code § 26-51-205(b), concerning the income tax  
 36 levied on foreign corporations, is amended to add an additional subdivision

1 to read as follows:

2 (6) For tax years beginning on or after January 1, 2027, every  
3 foreign corporation doing business within the jurisdiction of this state  
4 shall pay annually an income tax on the proportion of its entire net income  
5 as now defined by the income tax laws of this state, on the following basis:

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

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

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

12 (D) On net income exceeding eleven thousand dollars  
13 (\$11,000), four and one-tenths percent (4.1%).

14

15

16

**APPROVED: 5/6/26**

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35

36