

Stricken language would be deleted from and underlined language would be added to the law as it existed prior to this session of the General Assembly.

Act 195 of the Regular Session

1 State of Arkansas

As Engrossed: H2/14/07 S2/27/07

2 86th General Assembly

A Bill

3 Regular Session, 2007

HOUSE BILL 1443

4  
5 By: Representatives Anderson, Petrus, Sullivan, Thyer, Garner, Abernathy, Adcock, Allen, T. Baker,  
6 Berry, Bond, T. Bradford, Breedlove, E. Brown, J. Brown, Burkes, Burris, Cash, Cheatham, Chesterfield,  
7 Cook, Cooper, Cornwell, L. Cowling, D. Creekmore, Davis, Dickinson, S. Dobbins, Dunn, Edwards, L.  
8 Evans, D. Evans, Everett, Flowers, Gaskill, George, Glidewell, Greenberg, Hall, Hardwick, Hardy,  
9 Harris, House, Hoyt, D. Hutchinson, Hyde, Jeffrey, J. Johnson, D. Johnson, Kenney, Key, Kidd, King,  
10 Lamoureux, W. Lewellen, Lovell, Lowery, Maloch, M. Martin, Maxwell, Medley, Moore, Norton,  
11 Overbey, Pace, Pate, Patterson, Pennartz, Pickett, Powers, S. Prater, Pyle, Ragland, Reep, Reynolds, J.  
12 Roebuck, Rogers, Rosenbaum, Saunders, Schulte, Shelby, Stewart, Sumpter, Wagner, Walters, Webb,  
13 Wells, Wills, Wood, Woods, Wyatt, *Hawkins, Harrelson, R. Green, Blount, Davenport, L. Smith*  
14 By: Senators Steele, Bisbee, *Argue, Baker, Broadway, Critcher, Faris, Horn, J. Jeffress, Luker, B.*  
15 *Pritchard, T. Smith, Trusty, Whitaker, Womack*  
16  
17

18 **For An Act To Be Entitled**

19 AN ACT TO PROVIDE INCOME TAX RELIEF FOR TAXPAYERS  
20 WITH INCOME BELOW THE FEDERAL POVERTY LEVEL; TO  
21 PROVIDE INCOME TAX RELIEF FOR OTHER LOW INCOME  
22 TAX RESIDENTS OF ARKANSAS; AND FOR OTHER  
23 PURPOSES.  
24

25 **Subtitle**

26 AN ACT TO PROVIDE INCOME TAX RELIEF FOR  
27 LOW INCOME TAXPAYERS.  
28  
29

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

31  
32 SECTION 1. Arkansas Code § 26-51-301 is amended to read as follows:

33 26-51-301. Individuals exempt from taxation or qualifying for ~~reduced~~  
34 ~~tax rates~~ — ~~Election of rates~~ the low income tax credit.

35 (a) As used in this section:



1           (1) "Head of household" means the same as defined in 26 U.S.C. §  
2 2(b) of the Internal Revenue Code of 1986, as in effect on January 1, 2007;

3           (2) "Qualifying widow or widower" means the "surviving  
4 spouse" as defined in 26 U.S.C. § 2(a) of the Internal Revenue Code of 1986,  
5 as in effect on January 1, 2007.

6           ~~(a)(b) There shall be exempted from state individual income tax the~~  
7 ~~following income categories:~~ Beginning with tax year 2007, the following  
8 taxpayers are exempt from state individual income tax:

9           (1) A single individual whose gross income does not exceed ~~seven~~  
10 ~~thousand seven hundred dollars (\$7,700)~~ ten thousand two hundred dollars  
11 (\$10,200) for any income year;

12           (2) A married couple filing jointly with one (1) or fewer  
13 dependents whose gross income does not exceed ~~fifteen thousand five hundred~~  
14 ~~dollars (\$15,500)~~ seventeen thousand two hundred dollars (\$17,200) for any  
15 income year;

16           (3) A married couple filing jointly with two (2) or more  
17 dependents whose gross income does not exceed twenty thousand seven hundred  
18 dollars (\$20,700) for any income year; and

19           ~~(3) (4) An unmarried~~ A head of household or qualifying widow or  
20 widower with one (1) or more dependents, whose gross income for any income  
21 year does not exceed twelve thousand dollars (\$12,000) fourteen thousand five  
22 hundred dollars (\$14,500) for any income year.

23           ~~(b) However:~~

24           ~~(1) Any single individual whose gross income for the taxable~~  
25 ~~year is more than seven thousand seven hundred dollars (\$7,700) but not more~~  
26 ~~than eleven thousand four hundred dollars (\$11,400) may compute the income~~  
27 ~~tax payable on the income in excess of seven thousand seven hundred dollars~~  
28 ~~(\$7,700) from Reduced Tax Table A in § 26-51-302;~~

29           ~~(2) Any married couple filing jointly whose gross income for the~~  
30 ~~taxable year is more than fifteen thousand five hundred dollars (\$15,500) but~~  
31 ~~not more than sixteen thousand two hundred dollars (\$16,200) may compute the~~  
32 ~~income tax payable on the income in excess of fifteen thousand five hundred~~  
33 ~~dollars (\$15,500) from Reduced Tax Table B in § 26-51-302; and~~

34           ~~(3) Any head of household whose gross income for the taxable~~  
35 ~~year is more than twelve thousand dollars (\$12,000) but not more than sixteen~~  
36 ~~thousand two hundred dollars (\$16,200) may compute the income tax payable on~~

1 ~~the income in excess of twelve thousand dollars (\$12,000) from Reduced Tax~~  
2 ~~Table C in § 26-51-302.~~

3 ~~(e) As used in this section, "head of household" means the same as~~  
4 ~~defined in § 2(b) of the Internal Revenue Code of 1986, in effect on January~~  
5 ~~1, 2005.~~

6 ~~(d) [Repealed.]~~

7 ~~(e) The reduced tax tables cannot be used if the exemption provided~~  
8 ~~for in § 26-51-306 or the six thousand dollar (\$6,000) exemption provided for~~  
9 ~~in § 26-51-307 is claimed or if the taxpayer itemizes deductions.~~

10 ~~(f)(1) Only the persons defined in this section may enjoy the special~~  
11 ~~gross income exemption and the use of the reduced tax tables of § 26-51-302.~~

12 ~~(2) All other persons not falling within these specifically~~  
13 ~~defined categories are subject to the income tax rates provided in § 26-51-~~  
14 ~~201.~~

15 ~~(3) However, nothing in this section or § 26-51-302 shall be~~  
16 ~~construed to prevent any person covered by this section or § 26-51-302 from~~  
17 ~~electing to be taxed under the tax rates set forth by § 26-51-201 (a) and~~  
18 ~~(b).~~

19 (c) Beginning with tax year 2007, the following taxpayers are eligible  
20 for a low income tax credit:

21 (1) A single individual whose gross income for the taxable year  
22 is more than ten thousand two hundred dollars (\$10,200) but less than  
23 thirteen thousand five hundred (\$13,500);

24 (2) A married couple filing jointly with one (1) or fewer  
25 dependents whose gross income for the taxable year is more than seventeen  
26 thousand two hundred dollars (\$17,200) but less than twenty-one thousand four  
27 hundred dollars (\$21,400);

28 (3) A married couple filing jointly with two (2) or more  
29 dependents whose gross income for the taxable year is more than twenty  
30 thousand seven hundred dollars (\$20,700) but less than twenty-six thousand  
31 seven hundred dollars (\$26,700); and

32 (4) A head of household or a qualifying widow or widower with  
33 one (1) or more dependents whose gross income for the taxable year is more  
34 than fourteen thousand five hundred dollars (\$14,500) but less than nineteen  
35 thousand dollars (\$19,000).

36 (d) For income tax year 2007, the low income tax credit in subsection

1 (c) of this section shall be determined in accordance with the tables below,  
 2 based upon the taxpayer's filing status:

3 Single Taxpayer

4	<u>From</u>	<u>But Less</u>	<u>Credit</u>
5		<u>Than</u>	<u>Amount</u>
6	<u>\$10,201</u>	<u>\$10,300</u>	<u>\$130</u>
7	<u>\$10,301</u>	<u>\$10,400</u>	<u>\$126</u>
8	<u>\$10,401</u>	<u>\$10,500</u>	<u>\$122</u>
9	<u>\$10,501</u>	<u>\$10,600</u>	<u>\$118</u>
10	<u>\$10,601</u>	<u>\$10,700</u>	<u>\$114</u>
11	<u>\$10,701</u>	<u>\$10,800</u>	<u>\$110</u>
12	<u>\$10,801</u>	<u>\$10,900</u>	<u>\$106</u>
13	<u>\$10,901</u>	<u>\$11,000</u>	<u>\$102</u>
14	<u>\$11,001</u>	<u>\$11,100</u>	<u>\$98</u>
15	<u>\$11,101</u>	<u>\$11,200</u>	<u>\$94</u>
16	<u>\$11,201</u>	<u>\$11,300</u>	<u>\$90</u>
17	<u>\$11,301</u>	<u>\$11,400</u>	<u>\$86</u>
18	<u>\$11,401</u>	<u>\$11,500</u>	<u>\$82</u>
19	<u>\$11,501</u>	<u>\$11,600</u>	<u>\$78</u>
20	<u>\$11,601</u>	<u>\$11,700</u>	<u>\$74</u>
21	<u>\$11,701</u>	<u>\$11,800</u>	<u>\$70</u>
22	<u>\$11,801</u>	<u>\$11,900</u>	<u>\$66</u>
23	<u>\$11,901</u>	<u>\$12,000</u>	<u>\$62</u>
24	<u>\$12,001</u>	<u>\$12,100</u>	<u>\$58</u>
25	<u>\$12,101</u>	<u>\$12,200</u>	<u>\$54</u>
26	<u>\$12,201</u>	<u>\$12,300</u>	<u>\$50</u>
27	<u>\$12,301</u>	<u>\$12,400</u>	<u>\$46</u>
28	<u>\$12,401</u>	<u>\$12,500</u>	<u>\$42</u>
29	<u>\$12,501</u>	<u>\$12,600</u>	<u>\$38</u>
30	<u>\$12,601</u>	<u>\$12,700</u>	<u>\$34</u>
31	<u>\$12,701</u>	<u>\$12,800</u>	<u>\$30</u>
32	<u>\$12,801</u>	<u>\$12,900</u>	<u>\$26</u>
33	<u>\$12,901</u>	<u>\$13,000</u>	<u>\$22</u>
34	<u>\$13,001</u>	<u>\$13,100</u>	<u>\$18</u>
35	<u>\$13,101</u>	<u>\$13,200</u>	<u>\$14</u>
36	<u>\$13,201</u>	<u>\$13,300</u>	<u>\$10</u>

1	<u>\$13,301</u>	<u>\$13,400</u>	<u>\$6</u>
2	<u>\$13,401</u>	<u>\$13,500</u>	<u>\$2</u>
3			
4	<u>Married Filing Jointly With One or Fewer Dependents</u>		
5		<u>But Less</u>	<u>Credit</u>
6	<u>From</u>	<u>Than</u>	<u>Amount</u>
7	<u>\$17,201</u>	<u>\$17,300</u>	<u>\$290</u>
8	<u>\$17,301</u>	<u>\$17,400</u>	<u>\$283</u>
9	<u>\$17,401</u>	<u>\$17,500</u>	<u>\$276</u>
10	<u>\$17,501</u>	<u>\$17,600</u>	<u>\$269</u>
11	<u>\$17,601</u>	<u>\$17,700</u>	<u>\$262</u>
12	<u>\$17,701</u>	<u>\$17,800</u>	<u>\$255</u>
13	<u>\$17,801</u>	<u>\$17,900</u>	<u>\$248</u>
14	<u>\$17,901</u>	<u>\$18,000</u>	<u>\$241</u>
15	<u>\$18,001</u>	<u>\$18,100</u>	<u>\$234</u>
16	<u>\$18,101</u>	<u>\$18,200</u>	<u>\$227</u>
17	<u>\$18,201</u>	<u>\$18,300</u>	<u>\$220</u>
18	<u>\$18,301</u>	<u>\$18,400</u>	<u>\$213</u>
19	<u>\$18,401</u>	<u>\$18,500</u>	<u>\$206</u>
20	<u>\$18,501</u>	<u>\$18,600</u>	<u>\$199</u>
21	<u>\$18,601</u>	<u>\$18,700</u>	<u>\$192</u>
22	<u>\$18,701</u>	<u>\$18,800</u>	<u>\$185</u>
23	<u>\$18,801</u>	<u>\$18,900</u>	<u>\$178</u>
24	<u>\$18,901</u>	<u>\$19,000</u>	<u>\$171</u>
25	<u>\$19,001</u>	<u>\$19,100</u>	<u>\$164</u>
26	<u>\$19,101</u>	<u>\$19,200</u>	<u>\$157</u>
27	<u>\$19,201</u>	<u>\$19,300</u>	<u>\$150</u>
28	<u>\$19,301</u>	<u>\$19,400</u>	<u>\$143</u>
29	<u>\$19,401</u>	<u>\$19,500</u>	<u>\$136</u>
30	<u>\$19,501</u>	<u>\$19,600</u>	<u>\$129</u>
31	<u>\$19,601</u>	<u>\$19,700</u>	<u>\$122</u>
32	<u>\$19,701</u>	<u>\$19,800</u>	<u>\$115</u>
33	<u>\$19,801</u>	<u>\$19,900</u>	<u>\$108</u>
34	<u>\$19,901</u>	<u>\$20,000</u>	<u>\$101</u>
35	<u>\$20,001</u>	<u>\$20,100</u>	<u>\$94</u>
36	<u>\$20,101</u>	<u>\$20,200</u>	<u>\$87</u>

1	<u>\$20,201</u>	<u>\$20,300</u>	<u>\$80</u>
2	<u>\$20,301</u>	<u>\$20,400</u>	<u>\$73</u>
3	<u>\$20,401</u>	<u>\$20,500</u>	<u>\$66</u>
4	<u>\$20,501</u>	<u>\$20,600</u>	<u>\$59</u>
5	<u>\$20,601</u>	<u>\$20,700</u>	<u>\$52</u>
6	<u>\$20,701</u>	<u>\$20,800</u>	<u>\$45</u>
7	<u>\$20,801</u>	<u>\$20,900</u>	<u>\$38</u>
8	<u>\$20,901</u>	<u>\$21,000</u>	<u>\$31</u>
9	<u>\$21,001</u>	<u>\$21,100</u>	<u>\$24</u>
10	<u>\$21,101</u>	<u>\$21,200</u>	<u>\$17</u>
11	<u>\$21,201</u>	<u>\$21,300</u>	<u>\$10</u>
12	<u>\$21,301</u>	<u>\$21,400</u>	<u>\$3</u>

13

14 Married Filing Jointly With Two or More Dependents

15		<u>But Less</u>	<u>Credit</u>
16	<u>From</u>	<u>Than</u>	<u>Amount</u>
17	<u>\$20,701</u>	<u>\$20,800</u>	<u>\$416</u>
18	<u>\$20,801</u>	<u>\$20,900</u>	<u>\$409</u>
19	<u>\$20,901</u>	<u>\$21,000</u>	<u>\$402</u>
20	<u>\$21,001</u>	<u>\$21,100</u>	<u>\$395</u>
21	<u>\$21,101</u>	<u>\$21,200</u>	<u>\$388</u>
22	<u>\$21,201</u>	<u>\$21,300</u>	<u>\$381</u>
23	<u>\$21,301</u>	<u>\$21,400</u>	<u>\$374</u>
24	<u>\$21,401</u>	<u>\$21,500</u>	<u>\$367</u>
25	<u>\$21,501</u>	<u>\$21,600</u>	<u>\$360</u>
26	<u>\$21,601</u>	<u>\$21,700</u>	<u>\$353</u>
27	<u>\$21,701</u>	<u>\$21,800</u>	<u>\$346</u>
28	<u>\$21,801</u>	<u>\$21,900</u>	<u>\$339</u>
29	<u>\$21,901</u>	<u>\$22,000</u>	<u>\$332</u>
30	<u>\$22,001</u>	<u>\$22,100</u>	<u>\$325</u>
31	<u>\$22,101</u>	<u>\$22,200</u>	<u>\$318</u>
32	<u>\$22,201</u>	<u>\$22,300</u>	<u>\$311</u>
33	<u>\$22,301</u>	<u>\$22,400</u>	<u>\$304</u>
34	<u>\$22,401</u>	<u>\$22,500</u>	<u>\$297</u>
35	<u>\$22,501</u>	<u>\$22,600</u>	<u>\$290</u>
36	<u>\$22,601</u>	<u>\$22,700</u>	<u>\$283</u>

1	<u>\$22,701</u>	<u>\$22,800</u>	<u>\$276</u>
2	<u>\$22,801</u>	<u>\$22,900</u>	<u>\$269</u>
3	<u>\$22,901</u>	<u>\$23,000</u>	<u>\$262</u>
4	<u>\$23,001</u>	<u>\$23,100</u>	<u>\$255</u>
5	<u>\$23,101</u>	<u>\$23,200</u>	<u>\$248</u>
6	<u>\$23,201</u>	<u>\$23,300</u>	<u>\$241</u>
7	<u>\$23,301</u>	<u>\$23,400</u>	<u>\$234</u>
8	<u>\$23,401</u>	<u>\$23,500</u>	<u>\$227</u>
9	<u>\$23,501</u>	<u>\$23,600</u>	<u>\$220</u>
10	<u>\$23,601</u>	<u>\$23,700</u>	<u>\$213</u>
11	<u>\$23,701</u>	<u>\$23,800</u>	<u>\$206</u>
12	<u>\$23,801</u>	<u>\$23,900</u>	<u>\$199</u>
13	<u>\$23,901</u>	<u>\$24,000</u>	<u>\$192</u>
14	<u>\$24,001</u>	<u>\$24,100</u>	<u>\$185</u>
15	<u>\$24,101</u>	<u>\$24,200</u>	<u>\$178</u>
16	<u>\$24,201</u>	<u>\$24,300</u>	<u>\$171</u>
17	<u>\$24,301</u>	<u>\$24,400</u>	<u>\$164</u>
18	<u>\$24,401</u>	<u>\$24,500</u>	<u>\$157</u>
19	<u>\$24,501</u>	<u>\$24,600</u>	<u>\$150</u>
20	<u>\$24,601</u>	<u>\$24,700</u>	<u>\$143</u>
21	<u>\$24,701</u>	<u>\$24,800</u>	<u>\$136</u>
22	<u>\$24,801</u>	<u>\$24,900</u>	<u>\$129</u>
23	<u>\$24,901</u>	<u>\$25,000</u>	<u>\$122</u>
24	<u>\$25,001</u>	<u>\$25,100</u>	<u>\$115</u>
25	<u>\$25,101</u>	<u>\$25,200</u>	<u>\$108</u>
26	<u>\$25,201</u>	<u>\$25,300</u>	<u>\$101</u>
27	<u>\$25,301</u>	<u>\$25,400</u>	<u>\$94</u>
28	<u>\$25,401</u>	<u>\$25,500</u>	<u>\$87</u>
29	<u>\$25,501</u>	<u>\$25,600</u>	<u>\$80</u>
30	<u>\$25,601</u>	<u>\$25,700</u>	<u>\$73</u>
31	<u>\$25,701</u>	<u>\$25,800</u>	<u>\$66</u>
32	<u>\$25,801</u>	<u>\$25,900</u>	<u>\$59</u>
33	<u>\$25,901</u>	<u>\$26,000</u>	<u>\$52</u>
34	<u>\$26,001</u>	<u>\$26,100</u>	<u>\$45</u>
35	<u>\$26,101</u>	<u>\$26,200</u>	<u>\$38</u>
36	<u>\$26,201</u>	<u>\$26,300</u>	<u>\$31</u>

1	<u>\$26,301</u>	<u>\$26,400</u>	<u>\$24</u>
2	<u>\$26,401</u>	<u>\$26,500</u>	<u>\$17</u>
3	<u>\$26,501</u>	<u>\$26,600</u>	<u>\$10</u>
4	<u>\$26,601</u>	<u>\$26,700</u>	<u>\$3</u>

5

6 Head of Household/Qualifying Widow or Widower

7		<u>But Less</u>	<u>Credit</u>
8	<u>From</u>	<u>Than</u>	<u>Amount</u>
9	<u>\$14,501</u>	<u>\$14,600</u>	<u>\$265</u>
10	<u>\$14,601</u>	<u>\$14,700</u>	<u>\$259</u>
11	<u>\$14,701</u>	<u>\$14,800</u>	<u>\$253</u>
12	<u>\$14,801</u>	<u>\$14,900</u>	<u>\$247</u>
13	<u>\$14,901</u>	<u>\$15,000</u>	<u>\$241</u>
14	<u>\$15,001</u>	<u>\$15,100</u>	<u>\$235</u>
15	<u>\$15,101</u>	<u>\$15,200</u>	<u>\$229</u>
16	<u>\$15,201</u>	<u>\$15,300</u>	<u>\$223</u>
17	<u>\$15,301</u>	<u>\$15,400</u>	<u>\$217</u>
18	<u>\$15,401</u>	<u>\$15,500</u>	<u>\$211</u>
19	<u>\$15,501</u>	<u>\$15,600</u>	<u>\$205</u>
20	<u>\$15,601</u>	<u>\$15,700</u>	<u>\$199</u>
21	<u>\$15,701</u>	<u>\$15,800</u>	<u>\$193</u>
22	<u>\$15,801</u>	<u>\$15,900</u>	<u>\$187</u>
23	<u>\$15,901</u>	<u>\$16,000</u>	<u>\$181</u>
24	<u>\$16,001</u>	<u>\$16,100</u>	<u>\$175</u>
25	<u>\$16,101</u>	<u>\$16,200</u>	<u>\$169</u>
26	<u>\$16,201</u>	<u>\$16,300</u>	<u>\$163</u>
27	<u>\$16,301</u>	<u>\$16,400</u>	<u>\$157</u>
28	<u>\$16,401</u>	<u>\$16,500</u>	<u>\$151</u>
29	<u>\$16,501</u>	<u>\$16,600</u>	<u>\$145</u>
30	<u>\$16,601</u>	<u>\$16,700</u>	<u>\$139</u>
31	<u>\$16,701</u>	<u>\$16,800</u>	<u>\$133</u>
32	<u>\$16,801</u>	<u>\$16,900</u>	<u>\$127</u>
33	<u>\$16,901</u>	<u>\$17,000</u>	<u>\$121</u>
34	<u>\$17,001</u>	<u>\$17,100</u>	<u>\$115</u>
35	<u>\$17,101</u>	<u>\$17,200</u>	<u>\$109</u>
36	<u>\$17,201</u>	<u>\$17,300</u>	<u>\$103</u>



1	<u>\$17,301</u>	<u>\$17,400</u>	<u>\$97</u>
2	<u>\$17,401</u>	<u>\$17,500</u>	<u>\$91</u>
3	<u>\$17,501</u>	<u>\$17,600</u>	<u>\$85</u>
4	<u>\$17,601</u>	<u>\$17,700</u>	<u>\$79</u>
5	<u>\$17,701</u>	<u>\$17,800</u>	<u>\$73</u>
6	<u>\$17,801</u>	<u>\$17,900</u>	<u>\$67</u>
7	<u>\$17,901</u>	<u>\$18,000</u>	<u>\$61</u>
8	<u>\$18,001</u>	<u>\$18,100</u>	<u>\$55</u>
9	<u>\$18,101</u>	<u>\$18,200</u>	<u>\$49</u>
10	<u>\$18,201</u>	<u>\$18,300</u>	<u>\$43</u>
11	<u>\$18,301</u>	<u>\$18,400</u>	<u>\$37</u>
12	<u>\$18,401</u>	<u>\$18,500</u>	<u>\$31</u>
13	<u>\$18,501</u>	<u>\$18,600</u>	<u>\$25</u>
14	<u>\$18,601</u>	<u>\$18,700</u>	<u>\$19</u>
15	<u>\$18,701</u>	<u>\$18,800</u>	<u>\$13</u>
16	<u>\$18,801</u>	<u>\$18,900</u>	<u>\$7</u>
17	<u>\$18,901</u>	<u>\$19,000</u>	<u>\$1</u>

18

19 (e)(1) For tax years beginning on or after January 1, 2008, for  
 20 purposes of determining the exemptions from income tax in subsection (b) of  
 21 this section and determining eligibility for the low income tax credit in  
 22 this section, the gross income amounts in subsections (b) and (c) of this  
 23 section shall be adjusted annually by the cost-of-living adjustment for the  
 24 current calendar year, rounded to the nearest whole dollar.

25 (2) For purposes of this subsection, the cost-of-living  
 26 adjustment for any calendar year is the percentage, if any, not to exceed  
 27 three percent (3%), by which the Consumer Price Index for the current  
 28 calendar year exceeds the Consumer Price Index for the preceding calendar  
 29 year.

30 (3) The Consumer Price Index for any calendar year is the  
 31 average of the Consumer Price Index as of the close of the twelve-month  
 32 period ending on August 31 of that calendar year.

33 (4) As used in this subsection, "Consumer Price Index" means the  
 34 last Consumer Price Index for All Urban Consumers published by the United  
 35 States Department of Labor.

36 (f) For tax years beginning on or after January 1, 2008, following

1 the cost-of-living adjustment for the Consumer Price Index as provided in  
2 subsection (e) of this section, the low income tax credit in this section and  
3 the gross income limitations outlined in the tables in subsection (d) of this  
4 section shall be adjusted annually using the following method:

5 (1) For a single individual, the amount of the low income tax  
6 credit allowable shall be eighty percent (80%) of the income tax due upon the  
7 amount of gross income in subdivision (c)(1) of this section, indexed as  
8 provided in subsection (e) of this section, and reduced, but not below zero  
9 dollars (\$0.00), by four dollars (\$4.00) for each one hundred dollars (\$100),  
10 or fraction thereof, that the taxpayer's gross income exceeds the indexed  
11 amount;

12 (2) For a married couple filing jointly with one (1) or fewer  
13 dependents, the amount of the low income tax credit allowable shall be eighty  
14 percent (80%) of the income tax due upon the amount of gross income in  
15 subdivision (c)(2) of this section, indexed as provided in subsection (e) of  
16 this section, and reduced, but not below zero dollars (\$0.00), by seven  
17 dollars (\$7.00) for each one hundred dollars (\$100), or fraction thereof,  
18 that the taxpayer's gross income exceeds the indexed amount;

19 (3) For a married couple filing jointly with two (2) or more  
20 dependents, the amount of the low income tax credit allowable shall be eighty  
21 percent (80%) of the income tax due upon the amount of gross income in  
22 subdivision (c)(3) of this section, indexed as provided in subsection (e) of  
23 this section, and reduced, but not below zero dollars (\$0.00), by seven  
24 dollars (\$7.00) for each one hundred dollars (\$100), or fraction thereof,  
25 that the taxpayer's gross income exceeds the indexed amount; or

26 (4) For a head of household or qualifying widow or widower with  
27 one (1) or more dependents, the amount of the low income tax credit allowable  
28 shall be eighty percent (80%) of the income tax due upon the amount of gross  
29 income in subdivision (c)(4) of this section, indexed as provided in  
30 subsection (e) of this section, reduced, but not below zero dollars (\$0.00),  
31 by six dollars (\$6.00) for each one hundred dollars (\$100), or fraction  
32 thereof, that the taxpayer's gross income exceeds the indexed amount.

33 (g) For the purpose of determining eligibility for the low income tax  
34 credit in this section, income from all sources shall be used in determining  
35 the gross income of the taxpayer regardless of whether the income is taxable  
36 in Arkansas.

1        (h) A taxpayer is not eligible for the low income tax credit in this  
 2 section if the taxpayer claims an exemption in § 26-51-306 or § 26-51-307, or  
 3 if the taxpayer itemizes deductions.

4  
 5        SECTION 2. Arkansas Code § 26-51-302 [Effective November 15, 1998], is  
 6 repealed.

7        ~~26-51-302. Reduced tax tables. [Effective November 15, 1998.]~~

8 ~~Reduced Tax Table A — Single~~

9	<del>Income</del>	<del>[Tax]</del>
10	<del>Below \$7,701</del>	<del>\$0</del>
11	<del>7,701 — 7,800</del>	<del>20.00</del>
12	<del>7,801 — 7,900</del>	<del>21.00</del>
13	<del>7,901 — 8,000</del>	<del>22.00</del>
14	<del>8,001 — 8,100</del>	<del>33.00</del>
15	<del>8,101 — 8,200</del>	<del>35.00</del>
16	<del>8,201 — 8,300</del>	<del>36.00</del>
17	<del>8,301 — 8,400</del>	<del>38.00</del>
18	<del>8,401 — 8,500</del>	<del>39.00</del>
19	<del>8,501 — 8,600</del>	<del>41.00</del>
20	<del>8,601 — 8,700</del>	<del>42.00</del>
21	<del>8,701 — 8,800</del>	<del>44.00</del>
22	<del>8,801 — 8,900</del>	<del>45.00</del>
23	<del>8,901 — 9,000</del>	<del>47.00</del>
24	<del>9,001 — 9,100</del>	<del>48.00</del>
25	<del>9,101 — 9,200</del>	<del>50.00</del>
26	<del>9,201 — 9,300</del>	<del>51.00</del>
27	<del>9,301 — 9,400</del>	<del>79.00</del>
28	<del>9,401 — 9,500</del>	<del>81.00</del>
29	<del>9,501 — 9,600</del>	<del>83.00</del>
30	<del>9,601 — 9,700</del>	<del>85.00</del>
31	<del>9,701 — 9,800</del>	<del>87.00</del>
32	<del>9,801 — 9,900</del>	<del>89.00</del>
33	<del>9,901 — 10,000</del>	<del>91.00</del>
34	<del>10,001 — 10,100</del>	<del>94.00</del>
35	<del>10,101 — 10,200</del>	<del>96.00</del>
36	<del>10,201 — 10,300</del>	<del>98.00</del>

1	— 10,301 — 10,400	100.00
2	— 10,401 — 10,500	102.00
3	— 10,501 — 10,600	104.00
4	— 10,601 — 10,700	106.00
5	— 10,701 — 10,800	108.00
6	— 10,801 — 10,900	110.00
7	— 10,901 — 11,000	112.00
8	— 11,001 — 11,100	115.00
9	— 11,101 — 11,200	118.00
10	— 11,201 — 11,300	120.00
11	— 11,301 — 11,400	123.00
12	<del>Above \$11,400, use Standard Tax Table.</del>	
13	<del>Reduced Tax Table B — Married</del>	
14	<del>Income Tax</del>	
15	— Below \$ 15,501	0
16	— 15,501 — 15,600	80.00
17	— 15,601 — 15,700	81.00
18	— 15,701 — 15,800	83.00
19	— 15,801 — 15,900	84.00
20	— 15,901 — 16,000	86.00
21	— 16,001 — 16,100	116.00
22	— 16,101 — 16,200	118.00
23	<del>Above \$16,200, use Standard Tax Table.</del>	
24	<del>(C) Reduced Tax Table C</del>	
25	<del>Head of Household</del>	
26	— Income	[Tax]
27	— Below \$12,000	0
28	— 12,001 — 12,100	40.00
29	— 12,101 — 12,200	42.00
30	— 12,201 — 12,300	43.00
31	— 12,301 — 12,400	44.00
32	— 12,401 — 12,500	45.00
33	— 12,501 — 12,600	46.00
34	— 12,601 — 12,700	47.00
35	— 12,701 — 12,800	48.00
36	— 12,801 — 12,900	49.00

1	— 12,901 — 13,000	50.00
2	— 13,001 — 13,100	84.00
3	— 13,101 — 13,200	85.00
4	— 13,201 — 13,300	87.00
5	— 13,301 — 13,400	88.00
6	— 13,401 — 13,500	90.00
7	— 13,501 — 13,600	91.00
8	— 13,601 — 13,700	93.00
9	— 13,701 — 13,800	94.00
10	— 13,801 — 13,900	96.00
11	— 13,901 — 14,000	97.00
12	— 14,001 — 14,100	99.00
13	— 14,101 — 14,200	100.00
14	— 14,201 — 14,300	102.00
15	— 14,301 — 14,400	103.00
16	— 14,401 — 14,500	105.00
17	— 14,501 — 14,600	106.00
18	— 14,601 — 14,700	108.00
19	— 14,701 — 14,800	109.00
20	— 14,801 — 14,900	111.00
21	— 14,901 — 15,000	112.00
22	— 15,001 — 15,100	114.00
23	— 15,101 — 15,200	115.00
24	— 15,201 — 15,300	203.00
25	— 15,301 — 15,400	205.00
26	— 15,401 — 15,500	208.00
27	— 15,501 — 15,600	210.00
28	— 15,601 — 15,700	213.00
29	— 15,701 — 15,800	215.00
30	— 15,801 — 15,900	218.00
31	— 15,901 — 16,000	220.00
32	— 16,001 — 16,100	223.00
33	— 16,101 — 16,200	225.00

34 Above \$16,200, use Standard Tax Table.

35

36 SECTION 3. This act shall apply to tax years beginning on and after

1 January 1, 2007.

2

3 /s/ Anderson

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5 APPROVED: 3/5/2007

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