

1 State of Arkansas *As Engrossed: H3/13/13 H4/1/13 S4/18/13*

2 89th General Assembly

A Bill

3 Regular Session, 2013

HOUSE BILL 1585

4
5 By: Representatives Collins, D. Altes, Baird, Ballinger, Bell, Bragg, J. Burris, Carter, Clemmer, Cozart,
6 Davis, Deffenbaugh, Dotson, C. Douglas, Farrer, Fite, Gossage, Hammer, Harris, Hickerson, Hobbs,
7 House, Lea, Lowery, D. Meeks, S. Meeks, Miller, Neal, Payton, Scott, Shepherd, Westerman
8 By: Senators D. Sanders, Rapert

For An Act To Be Entitled

11 AN ACT TO AMEND THE INCOME TAX RATES AND BRACKETS FOR
12 INDIVIDUALS, TRUSTS, AND ESTATES; TO ADJUST THE
13 MINIMUM AND MAXIMUM DOLLAR AMOUNTS IN CERTAIN INCOME
14 TAX BRACKETS FOR INDIVIDUALS, TRUSTS, AND ESTATES;
15 AND FOR OTHER PURPOSES.

Subtitle

19 *TO AMEND THE INCOME TAX RATES AND*
20 *BRACKETS; AND TO ADJUST THE MINIMUM AND*
21 *MAXIMUM DOLLAR AMOUNTS IN CERTAIN INCOME*
22 *TAX BRACKETS.*

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

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

29 *(a) A For tax years beginning on and after January 1, 2012, a tax is*
30 *imposed upon, and with respect to, the entire income of every resident,*
31 *individual, trust, or estate. The tax shall be levied, collected, and paid*
32 *annually upon the entire net income as defined and computed in this chapter*
33 *at the following rates, giving effect to the tax credits provided hereafter,*
34 *in the manner set forth:*

35 *(1)(A) On the first ~~two thousand nine hundred ninety nine~~*
36 *~~dollars (\$2,999)~~ four thousand ninety-nine dollars (\$4,099) of net income or*



1 any part thereof, one percent (1%)~~+~~.

2 (B) For tax years beginning on and after January 1, 2014,
3 on the first four thousand ninety-nine dollars (\$4,099) of net income or any
4 part thereof, nine-tenths percent (0.9%);

5 (2)(A) On the next ~~three thousand dollars (\$3,000)~~ four thousand
6 one hundred dollars (\$4,100) of net income or any part thereof, ~~two and one-~~
7 half percent (~~2½%~~); two and five-tenths percent (2.5%).

8 (B) For tax years beginning on and after January 1, 2015,
9 on the next four thousand one hundred dollars (\$4,100) of net income or any
10 part thereof, two and four-tenths percent (2.4%);

11 (3)(A) On the next ~~three thousand dollars (\$3,000)~~ four thousand
12 dollars (\$4,000) of net income or any part thereof, ~~three and one-half~~
13 percent (~~3½%~~); three and five-tenths percent (3.5%).

14 (B) For tax years beginning on and after January 1, 2015,
15 on the next four thousand dollars (\$4,000) of net income or any part thereof,
16 three and four-tenths percent (3.4%);

17 (4)(A) On the next ~~six thousand dollars (\$6,000)~~ eight thousand
18 two hundred dollars (\$8,200) of net income or any part thereof, ~~four and one-~~
19 half percent (~~4½%~~); four and five-tenths percent (4.5%).

20 (B) For tax years beginning on and after January 1, 2015,
21 on the next eight thousand two hundred dollars (\$8,200) of net income or any
22 part thereof, four and four-tenths percent (4.4%);

23 (5)(A) On the next ~~ten thousand dollars (\$10,000)~~ thirteen
24 thousand six hundred dollars (\$13,600) of net income or any part thereof, six
25 percent (6%); ~~and.~~

26 (B) For tax years beginning on and after January 1, 2015,
27 on the next thirteen thousand six hundred dollars (\$13,600) of net income or
28 any part thereof, five and nine-tenths percent (5.9%); and

29 (6)(A) On net income of ~~twenty-five thousand dollars (\$25,000)~~
30 thirty-four thousand dollars (\$34,000) and above, seven percent (7%).

31 (B) For tax years beginning on and after January 1, 2015,
32 on net income of thirty-four thousand dollars (\$34,000) and above, six and
33 nine-tenths percent (6.9%).

34
35 SECTION 2. Arkansas Code § 26-51-201(d), concerning the cost-of-living
36 adjustment for the income tax rates applicable to individuals, trusts, and

1 *estates, is amended to read as follows:*

2 *(d)(1) ~~Not later than December 15 of 1998, and each subsequent~~*
3 *~~calendar year, the~~ The Director of the Department of Finance and*
4 *Administration shall prescribe annually a table which shall apply in lieu of*
5 *the table contained in subsection (a) of this section with respect to each*
6 *succeeding taxable years ~~beginning in the succeeding calendar year. The~~*
7 *~~Director of the Department of Finance and Administration~~ director shall*
8 *increase the minimum and maximum dollar amounts for each rate bracket,*
9 *rounding to the nearest one hundred dollars (\$100), for which a tax is*
10 *imposed under ~~such~~ the table by the cost-of-living adjustment for ~~such~~ each*
11 *calendar year and by not changing the rate applicable to any rate bracket as*
12 *adjusted. ~~The yearly cost-of-living adjustment increase in each rate bracket~~*
13 *~~as provided in subdivision (d)(2) of this section shall apply to the brackets~~*
14 *~~as contained in subsection (a) of this section as in effect on January 1,~~*
15 *~~1998.~~*

16 *(2) For purposes of subdivision (d)(1) of this section, the*
17 *cost-of-living adjustment for ~~any~~ a calendar year is the percentage, if any,*
18 *by which the CPI for the current calendar year ~~preceding the taxable year~~*
19 *exceeds the CPI for the preceding calendar year ~~1997~~, not to exceed three*
20 *percent (3%). The CPI for any calendar year is the average of the Consumer*
21 *Price Index as of the close of the twelve-month period ending on August 31 of*
22 *such calendar year. "Consumer Price Index" means the last Consumer Price*
23 *Index for All Urban Consumers published by the United States Department of*
24 *Labor.*

25 *(3) The new tables, as adjusted annually, ~~shall apply for tax~~*
26 *~~returns filed for taxable year 1999 and thereafter, and shall be used by the~~*
27 *director in preparing the income tax withholding tables pursuant to § 26-51-*
28 *907.*

29
30 */s/Collins*

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33 **APPROVED: 04/22/2013**