

Stricken language would be deleted from and underlined language would be added to present law.  
Act 532 of the Regular Session

1 State of Arkansas  
2 94th General Assembly  
3 Regular Session, 2023  
4

As Engrossed: S4/3/23

# A Bill

SENATE BILL 549

5 By: Senators J. Dismang, J. Boyd, J. Bryant, Caldwell, A. Clark, Crowell, B. Davis, Dees, J. Dotson, J.  
6 English, Flippo, Gilmore, K. Hammer, Hester, Hickey, Hill, Irvin, B. Johnson, M. Johnson, M. McKee, J.  
7 Payton, C. Penzo, J. Petty, Rice, Stone, G. Stubblefield, D. Sullivan, D. Wallace  
8 By: Representatives Eaves, M. Shepherd, Achor, Andrews, Barker, Beaty Jr., Bentley, M. Berry, S. Berry,  
9 Brooks, K. Brown, M. Brown, Burkes, Joey Carr, Cavanaugh, C. Cooper, Cozart, Crawford, Dalby,  
10 Duffield, Eubanks, Evans, D. Ferguson, C. Fite, L. Fite, Fortner, Furman, Gazaway, Gonzales, Gramlich,  
11 Haak, Hawk, D. Hodges, G. Hodges, Holcomb, Hollowell, Jean, L. Johnson, Ladyman, Long, Lundstrum,  
12 Lynch, Maddox, Magie, McAlindon, McClure, M. McElroy, McGrew, B. McKenzie, McNair, S. Meeks,  
13 Miller, Milligan, J. Moore, K. Moore, Nicks, Painter, Pearce, Pilkington, Puryear, Ray, R. Scott  
14 Richardson, Richmond, Rose, Rye, Schulz, Steimel, Tosh, Underwood, Unger, Vaught, Walker, Wardlaw,  
15 Warren, Watson, Wing, Womack, Wooldridge, Wooten  
16

## For An Act To Be Entitled

18 AN ACT TO AMEND THE INCOME TAX LAWS; TO REDUCE THE  
19 INCOME TAX RATES APPLICABLE TO INDIVIDUALS, TRUSTS,  
20 ESTATES, AND CORPORATIONS; AND FOR OTHER PURPOSES.  
21  
22

### Subtitle

24 TO REDUCE THE INCOME TAX RATES APPLICABLE  
25 TO INDIVIDUALS, TRUSTS, ESTATES, AND  
26 CORPORATIONS.  
27  
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29 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
30

31 SECTION 1. Arkansas Code § 26-51-201(a)(2), concerning the income tax  
32 imposed on individuals, trusts, and estates, is amended to read as follows:

33 (2) For tax years beginning on or after January 1, 2023:

34 (A) Every resident, individual, trust, or estate having  
35 net income less than or equal to eighty-seven thousand dollars (\$87,000)  
36 shall determine the amount of income tax due under this subsection in



1 accordance with the table set forth below:

2 <u>From</u>	<u>Less Than or Equal To</u>	<u>Rate</u>
3 <u>\$0</u>	<u>\$5,099</u>	<u>0%</u>
4 <u>\$5,100</u>	<u>\$10,299</u>	<u>2%</u>
5 <u>\$10,300</u>	<u>\$14,699</u>	<u>3%</u>
6 <u>\$14,700</u>	<u>\$24,299</u>	<u>3.4%</u>
7 <u>\$24,300</u>	<u>\$87,000</u>	<u>4.7%</u>

8 (B) Every resident, individual, trust, or estate having  
 9 net income greater than eighty-seven thousand dollars (\$87,000) shall  
 10 determine the amount of income tax due under this subsection in accordance  
 11 with the table set forth below:

12 <u>From</u>	<u>Less Than or Equal To</u>	<u>Rate</u>
13 <u>\$0</u>	<u>\$4,400</u>	<u>2%</u>
14 <u>\$4,401</u>	<u>\$8,800</u>	<u>4%</u>
15 <u>\$8,801 and above</u>		<u>4.7%</u>

16 (C) Every resident, individual, trust, or estate having  
 17 net income greater than or equal to eighty-seven thousand one dollars  
 18 (\$87,001) but not greater than ninety-one thousand three hundred dollars  
 19 (\$91,300) shall reduce the amount of income tax due as determined under  
 20 subdivision (a)(2)(B) of this section by deducting a bracket adjustment  
 21 amount in accordance with the table set forth below:

22 <u>From</u>	<u>To</u>	<u>Bracket Adjustment Amount</u>
23 <u>\$87,001</u>	<u>\$87,100</u>	<u>\$430</u>
24 <u>\$87,101</u>	<u>\$87,200</u>	<u>\$420</u>
25 <u>\$87,201</u>	<u>\$87,300</u>	<u>\$410</u>
26 <u>\$87,301</u>	<u>\$87,400</u>	<u>\$400</u>
27 <u>\$87,401</u>	<u>\$87,500</u>	<u>\$390</u>
28 <u>\$87,501</u>	<u>\$87,600</u>	<u>\$380</u>
29 <u>\$87,601</u>	<u>\$87,700</u>	<u>\$370</u>
30 <u>\$87,701</u>	<u>\$87,800</u>	<u>\$360</u>
31 <u>\$87,801</u>	<u>\$87,900</u>	<u>\$350</u>
32 <u>\$87,901</u>	<u>\$88,000</u>	<u>\$340</u>
33 <u>\$88,001</u>	<u>\$88,100</u>	<u>\$330</u>
34 <u>\$88,101</u>	<u>\$88,200</u>	<u>\$320</u>
35 <u>\$88,201</u>	<u>\$88,300</u>	<u>\$310</u>
36 <u>\$88,301</u>	<u>\$88,400</u>	<u>\$300</u>

1	<u>\$88,401</u>	<u>\$88,500</u>	<u>\$290</u>
2	<u>\$88,501</u>	<u>\$88,600</u>	<u>\$280</u>
3	<u>\$88,601</u>	<u>\$88,700</u>	<u>\$270</u>
4	<u>\$88,701</u>	<u>\$88,800</u>	<u>\$260</u>
5	<u>\$88,801</u>	<u>\$88,900</u>	<u>\$250</u>
6	<u>\$88,901</u>	<u>\$89,000</u>	<u>\$240</u>
7	<u>\$89,001</u>	<u>\$89,100</u>	<u>\$230</u>
8	<u>\$89,101</u>	<u>\$89,200</u>	<u>\$220</u>
9	<u>\$89,201</u>	<u>\$89,300</u>	<u>\$210</u>
10	<u>\$89,301</u>	<u>\$89,400</u>	<u>\$200</u>
11	<u>\$89,401</u>	<u>\$89,500</u>	<u>\$190</u>
12	<u>\$89,501</u>	<u>\$89,600</u>	<u>\$180</u>
13	<u>\$89,601</u>	<u>\$89,700</u>	<u>\$170</u>
14	<u>\$89,701</u>	<u>\$89,800</u>	<u>\$160</u>
15	<u>\$89,801</u>	<u>\$89,900</u>	<u>\$150</u>
16	<u>\$89,901</u>	<u>\$90,000</u>	<u>\$140</u>
17	<u>\$90,001</u>	<u>\$90,100</u>	<u>\$130</u>
18	<u>\$90,101</u>	<u>\$90,200</u>	<u>\$120</u>
19	<u>\$90,201</u>	<u>\$90,300</u>	<u>\$110</u>
20	<u>\$90,301</u>	<u>\$90,400</u>	<u>\$100</u>
21	<u>\$90,401</u>	<u>\$90,500</u>	<u>\$90</u>
22	<u>\$90,501</u>	<u>\$90,600</u>	<u>\$80</u>
23	<u>\$90,601</u>	<u>\$90,700</u>	<u>\$70</u>
24	<u>\$90,701</u>	<u>\$90,800</u>	<u>\$60</u>
25	<u>\$90,801</u>	<u>\$90,900</u>	<u>\$50</u>
26	<u>\$90,901</u>	<u>\$91,000</u>	<u>\$40</u>
27	<u>\$91,001</u>	<u>\$91,100</u>	<u>\$30</u>
28	<u>\$91,101</u>	<u>\$91,200</u>	<u>\$20</u>
29	<u>\$91,201</u>	<u>\$91,300</u>	<u>\$10</u>
30	<u>\$91,301 and up</u>		<u>\$0</u>

31                   (3) The tables set forth in ~~subdivision (a)(1)~~ subdivisions  
32 (a)(1) and (2) of this section shall be adjusted annually in accordance with  
33 the method set forth in subsection (d) of this section.

34

35                   SECTION 2. Arkansas Code § 26-51-201(d)(1), concerning the income tax  
36 imposed on individuals, trusts, and estates, is amended to read as follows:

1 (d)(1) The Secretary of the Department of Finance and Administration  
2 shall prescribe annually ~~a table which~~ tables that shall apply in lieu of the  
3 ~~table~~ tables contained in subsection (a) of this section with respect to each  
4 succeeding taxable year. The secretary shall increase the minimum and maximum  
5 dollar amounts for each rate bracket, rounding to the nearest one hundred  
6 dollars (\$100), for which a tax is imposed under the table by the cost-of-  
7 living adjustment for each calendar year and by not changing the rate  
8 applicable to any rate bracket as adjusted.

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10 SECTION 3. Arkansas Code § 26-51-205(a)(4), concerning the income tax  
11 imposed on domestic corporations, is amended to read as follows:

12 (4) For tax years beginning on or after January 1, 2023, every  
13 corporation organized under the laws of this state shall pay annually an  
14 income tax with respect to carrying on or doing business on the entire net  
15 income of the corporation, as now defined by the laws of this state, received  
16 by the corporation during the income year, on the following basis:

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

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

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

23 (D) On the next fourteen thousand dollars (\$14,000)  
24 of net income or any part thereof, five percent (5%); and

25 (E) On net income exceeding twenty-five thousand  
26 dollars (\$25,000), ~~five and three-tenths percent (5.3%)~~ five and one-tenths  
27 percent (5.1%).

28  
29 SECTION 4. Arkansas Code § 26-51-205(b)(4), concerning the income tax  
30 imposed on foreign corporations, is amended to read as follows:

31 (4) For tax years beginning on or after January 1, 2023, every  
32 foreign corporation doing business within the jurisdiction of this state  
33 shall pay annually an income tax on the proportion of its entire net income  
34 as now defined by the income tax laws of this state, on the following basis:

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

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

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

5 (D) On the next fourteen thousand dollars (\$14,000) of net  
6 income or any part thereof, five percent (5%); and

7 (E) On net income exceeding twenty-five thousand dollars  
8 (\$25,000), ~~five and three tenths percent (5.3%)~~ five and one-tenths percent  
9 (5.1%).

10  
11 /s/J. Dismang  
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14 **APPROVED: 4/10/23**  
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