

State of Arkansas
76th General Assembly
Regular Session, 1987
By: Representative Matthews

HOUSE BILL 2025

"AN ACT TO AMEND SUBSECTION (a) OF SECTION 3 OF ACT 118 OF 1929, AS AMENDED [ARK. STAT. 84-2003(a)] TO ADJUST THE ARKANSAS INCOME TAX RATE; AND FOR OTHER PURPOSES."

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

SECTION 1. Subsection (a) of Section 3 of Act 118 of 1929, as amended, the same being Arkansas Statutes 84-2003(a), is hereby amended to read as follows:

"(a) A tax is hereby imposed upon and with respect to the entire income of every resident, individual, trust or estate which tax shall be levied, collected and paid annually upon such entire net income as herein defined and computed, at the following rates, giving effect to the tax credits provided hereafter in the manner set forth: on the first \$2,999 of net income, or any part thereof, one percent (1%); on the next \$3,000 of net income or any part thereof, two and one-half percent (2.5%); on the next \$3,000 of net income or any part thereof, three and one-half percent (3.5%); on the next \$6,000 of net income or any part thereof, four and one-half (4.5%); on the next \$10,000 of net income or any part thereof, six percent (6%); on the next \$15,000 of net income or any part thereof, seven percent (7%); on net income of \$40,000 and above, eight percent (8%).

Provided that no State income tax shall be due this State from a trust or estate created by a nonresident donor, trustor, or settlor, or by a nonresident testator even though administered by a resident trustee or personal representative except on income derived from:

(i) Lands situated in this State including gains from any sale thereof;

(ii) Any interest in lands situated in this State including without limitation, chattels real, including gains from any sale thereof;

(iii) Tangible personal property located in Arkansas including gains from any sale thereof; and

(iv) From unincorporated businesses domiciled in Arkansas.

Provided further that no income tax shall be due the State of Arkansas from a nonresident beneficiary on income received from a trust being administered by a resident trustee except on income derived by the trust from:

(i) Lands situated in this State including gains from any sale thereof;

(ii) Any interest in lands situated in this State including without limitation, chattels real, including gains from any sale thereof;

(iii) Tangible personal property located in Arkansas including gains from any sale thereof; and

(iv) From unincorporated businesses domiciled in Arkansas."

SECTION 2. All laws and parts of laws in conflict with this Act are hereby repealed.

