

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.

1 State of Arkansas
2 84th General Assembly
3 Regular Session, 2003

A Bill

SENATE BILL 778

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5 By: Revenue & Tax - Senate
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For An Act To Be Entitled

9 AN ACT TO IMPOSE A 6½% (SIX AND ONE-HALF PERCENT)
10 FLAT TAX ON CORPORATIONS WITH TOTAL NET INCOME
11 EXCEEDING \$100,000 (ONE HUNDRED THOUSAND
12 DOLLARS); TO LEVY A 10% (TEN PERCENT) INCOME TAX
13 SURCHARGE; AND FOR OTHER PURPOSES.
14

Subtitle

15 AN ACT TO IMPOSE A 6½% (SIX AND ONE-HALF
16 PERCENT) FLAT TAX ON CORPORATIONS WITH
17 TOTAL NET INCOME EXCEEDING \$100,000 (ONE
18 HUNDRED THOUSAND DOLLARS); TO LEVY A 10%
19 (TEN PERCENT) INCOME TAX SURCHARGE.
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23 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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25 SECTION 1. If the total net income of a corporation exceeds one
26 hundred thousand dollars (\$100,000), then instead of the tax imposed by § 26-
27 51-205(a)(1), there is imposed a tax of six and one-half percent (6.5%) on
28 the entire net income of the corporation.
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30 SECTION 2. Title 52, Chapter 51, Subchapter 2, is amended to add an
31 additional section to read as follows:

32 26-51-207. Income tax surcharge.

33 (a) In addition to the tax levied by §§ 26-51-201 through 26-51-206,
34 26-51-301 and 26-51-302, there is levied an income tax surcharge of ten
35 percent (10%) of the tax liability of every person required to file an
36 Arkansas income tax return.



1 (b)(1) If an individual is a resident of an Arkansas border city
2 described in §§ 26-52-601 through 26-52-607, then the individual shall be
3 liable for the income tax surcharge levied in subsection (a) of this section.

4 (2) The surcharge shall be computed on the tax liability that
5 would have been due had the income tax exemption of §§ 26-52-601 through 26-
6 52-607 not been available.

7 (3) The income tax exemption of §§ 26-52-601 through 26-52-607
8 shall not apply to the income tax levied in subsection (a) of this section.

9 (c) The revenues derived from the additional tax imposed by this
10 section shall be credited to the General Revenue Fund Account of the State
11 Apportionment Fund, there to be distributed with the other gross general
12 revenue collections in accordance with the Revenue Stabilization Law.

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