

1 State of Arkansas
2 95th General Assembly
3 Regular Session, 2025
4

A Bill

HOUSE BILL 1822

5 By: Representative Underwood
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For An Act To Be Entitled

9 AN ACT TO CREATE THE OVERTIME BUT NOT OVERTAXED ACT;
10 TO EXEMPT COMPENSATION FOR OVERTIME FROM THE INCOME
11 TAX; AND FOR OTHER PURPOSES.
12
13

Subtitle

14 THE OVERTIME BUT NOT OVERTAXED ACT.
15
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17 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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19 SECTION 1. DO NOT CODIFY. Title.

20 This act shall be known and may be cited as the "Overtime but not
21 Overtaxed Act".
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23 SECTION 2. Arkansas Code Title 26, Chapter 51, Subchapter 3, is
24 amended to add an additional section to read as follows:

25 26-51-317. Overtime.

26 (a) As used in this section, "overtime" means time worked in a
27 workweek that:

28 (1) Exceeds forty (40) hours for the workweek; and

29 (2) Is required to be compensated under the Fair Labor Standards
30 Act of 1938, 29 U.S.C. § 201 et seq., as it existed on January 1, 2025.

31 (b) Compensation for overtime is exempt from the income tax levied
32 under this chapter.
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34 SECTION 3. EFFECTIVE DATE. Section 1 of this act is effective for tax
35 years beginning on or after January 1, 2026.
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