

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

As Engrossed: S3/12/25

A Bill

SENATE BILL 204

5 By: Senators C. Penzo, Hester, J. Boyd, J. Bryant, Caldwell, A. Clark, Crowell, B. Davis, Dees, J.
6 Dotson, Flippo, Gilmore, K. Hammer, Hill, B. Johnson, M. Johnson, B. King, M. McKee, R. Murdock, J.
7 Payton, J. Petty, J. Scott, Stone, G. Stubblefield, D. Sullivan, D. Wallace
8 By: Representatives Wooldridge, Evans, J. Moore, Ray, Rose, Achor, F. Allen, Andrews, Barnes, Barnett,
9 Beaty Jr., Bentley, S. Berry, Breaux, Brooks, A. Brown, K. Brown, M. Brown, Joey Carr, John Carr,
10 Cavanaugh, Childress, Clowney, C. Cooper, Cozart, Crawford, Duffield, Duke, Eaton, Eaves, Ennett, K.
11 Ferguson, Furman, D. Garner, Gazaway, Gonzales Worthen, Gramlich, Hall, Hawk, Holcomb,
12 Hollowell, Hudson, Jean, L. Johnson, Ladyman, Long, Lundstrum, Lynch, Maddox, Magie, J. Mayberry,
13 McAlindon, McCollum, M. McElroy, McGrew, McGruder, McNair, S. Meeks, Milligan, Nazarenko,
14 Painter, Pearce, Perry, Pilkington, Puryear, J. Richardson, R. Scott Richardson, Richmond, Rye, Steele,
15 Steimel, Torres, Tosh, Underwood, Unger, Vaught, Walker, Warren, Wing, Womack
16

For An Act To Be Entitled

18 AN ACT TO AMEND THE STATE INCOME TAX LAWS; TO EXEMPT
19 FROM GROSS INCOME A GAIN BY A TAXPAYER RESULTING FROM
20 THE ACQUISITION OF PROPERTY UNDER THE RIGHT OF
21 EMINENT DOMAIN OR THE THREAT OF CONDEMNATION; AND FOR
22 OTHER PURPOSES.
23
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Subtitle

26 TO EXEMPT FROM GROSS INCOME A GAIN BY A
27 TAXPAYER RESULTING FROM THE ACQUISITION
28 OF PROPERTY UNDER THE RIGHT OF EMINENT
29 DOMAIN OR THE THREAT OF CONDEMNATION.
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31 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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33 SECTION 1. Arkansas Code § 26-51-404(b), concerning exclusions from
34 gross income under the Income Tax Act of 1929, is amended to add an
35 additional subdivision to read as follows:

36 (36) A gain by a taxpayer resulting from the acquisition of real



1 property by an entity with the power of eminent domain under the right of
2 eminent domain or threat of condemnation under Title 18, Chapter 15 or § 27-
3 67-301 et seq.

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SECTION 2. EFFECTIVE DATE. Section 1 of this act is effective for tax
years beginning on or after January 1, 2025.

/s/C. Penzo