

1 State of Arkansas
2 95th General Assembly
3 First Extraordinary Session, 2026
4

Call Item 1

A Bill

SENATE BILL 1

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, B. King, M.
7 McKee, J. Payton, C. Penzo, J. Petty, Rice, Simon, Stone, D. Sullivan, D. Wallace
8 By: Representative Eaves
9

For An Act To Be Entitled

10 AN ACT TO REDUCE INCOME TAXES; TO REDUCE THE INCOME
11 TAX RATES FOR INDIVIDUALS, TRUSTS, ESTATES, AND
12 CORPORATIONS; AND FOR OTHER PURPOSES.
13
14

Subtitle

15 TO REDUCE THE INCOME TAX RATES FOR
16 INDIVIDUALS, TRUSTS, ESTATES, AND
17 CORPORATIONS.
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22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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24 SECTION 1. Arkansas Code § 26-51-201(a)(4), concerning the income tax
25 imposed on individuals, trusts, and estates, is amended to read as follows:

26 (4) For tax years beginning on or after January 1, 2026:

27 (A) Every resident, individual, trust, or estate having
28 net income less than or equal to ninety-four thousand seven hundred dollars
29 (\$94,700) shall determine the amount of income tax due under this subsection
30 in accordance with the table set forth below:

<u>From</u>	<u>Less Than or Equal To</u>	<u>Rate</u>
<u>\$0</u>	<u>\$5,599</u>	<u>0%</u>
<u>\$5,600</u>	<u>\$11,199</u>	<u>2%</u>
<u>\$11,200</u>	<u>\$15,999</u>	<u>3%</u>
<u>\$16,000</u>	<u>\$26,399</u>	<u>3.4%</u>
<u>\$26,400</u>	<u>\$94,700</u>	<u>3.7%</u>



1 (B) Every resident, individual, trust, or estate having
 2 net income greater than ninety-four thousand seven hundred dollars (\$94,700)
 3 shall determine the amount of income tax due under this subsection in
 4 accordance with the table set forth below:

<u>From</u>	<u>Less Than or Equal To</u>	<u>Rate</u>
<u>\$0</u>	<u>\$4,700</u>	<u>2%</u>
<u>\$4,701 and above</u>		<u>3.7%</u>

8 (C) Every resident, individual, trust, or estate having
 9 net income greater than or equal to ninety-four thousand seven hundred one
 10 dollars (\$94,701) but not greater than ninety-seven thousand six hundred
 11 dollars (\$97,600) shall reduce the amount of income tax due as determined
 12 under subdivision (a)(4)(B) of this section by deducting a bracket adjustment
 13 amount in accordance with the table set forth below:

<u>From</u>	<u>Less Than or Equal To</u>	<u>Bracket Adjustment Amount</u>
<u>\$94,701</u>	<u>\$94,800</u>	<u>\$290</u>
<u>\$94,801</u>	<u>\$94,900</u>	<u>\$280</u>
<u>\$94,901</u>	<u>\$95,000</u>	<u>\$270</u>
<u>\$95,001</u>	<u>\$95,100</u>	<u>\$260</u>
<u>\$95,101</u>	<u>\$95,200</u>	<u>\$250</u>
<u>\$95,201</u>	<u>\$95,300</u>	<u>\$240</u>
<u>\$95,301</u>	<u>\$95,400</u>	<u>\$230</u>
<u>\$95,401</u>	<u>\$95,500</u>	<u>\$220</u>
<u>\$95,501</u>	<u>\$95,600</u>	<u>\$210</u>
<u>\$95,601</u>	<u>\$95,700</u>	<u>\$200</u>
<u>\$95,701</u>	<u>\$95,800</u>	<u>\$190</u>
<u>\$95,801</u>	<u>\$95,900</u>	<u>\$180</u>
<u>\$95,901</u>	<u>\$96,000</u>	<u>\$170</u>
<u>\$96,001</u>	<u>\$96,100</u>	<u>\$160</u>
<u>\$96,101</u>	<u>\$96,200</u>	<u>\$150</u>
<u>\$96,201</u>	<u>\$96,300</u>	<u>\$140</u>
<u>\$96,301</u>	<u>\$96,400</u>	<u>\$130</u>
<u>\$96,401</u>	<u>\$96,500</u>	<u>\$120</u>
<u>\$96,501</u>	<u>\$96,600</u>	<u>\$110</u>
<u>\$96,601</u>	<u>\$96,700</u>	<u>\$100</u>
<u>\$96,701</u>	<u>\$96,800</u>	<u>\$90</u>
<u>\$96,801</u>	<u>\$96,900</u>	<u>\$80</u>

1	<u>\$96,901</u>	<u>\$97,000</u>	<u>\$70</u>
2	<u>\$97,001</u>	<u>\$97,100</u>	<u>\$60</u>
3	<u>\$97,101</u>	<u>\$97,200</u>	<u>\$50</u>
4	<u>\$97,201</u>	<u>\$97,300</u>	<u>\$40</u>
5	<u>\$97,301</u>	<u>\$97,400</u>	<u>\$30</u>
6	<u>\$97,401</u>	<u>\$97,500</u>	<u>\$20</u>
7	<u>\$97,501</u>	<u>\$97,600</u>	<u>\$10</u>
8	<u>\$97,601 and over</u>		<u>\$0</u>

9 (5) The tables set forth in subdivisions ~~(a)(1)-(3)~~ (a)(1)-(4)
10 of this section shall be adjusted annually in accordance with the method set
11 forth in subsection (d) of this section.

12

13 SECTION 2. Arkansas Code § 26-51-205(a), concerning the income tax
14 levied on domestic corporations, is amended to add an additional subdivision
15 to read as follows:

16 (6) For tax years beginning on or after January 1, 2027, every
17 corporation organized under the laws of this state shall pay annually an
18 income tax with respect to carrying on or doing business on the entire net
19 income of the corporation, as now defined by the laws of this state, received
20 by the corporation during the income year, on the following basis:

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

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

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

27 (D) On net income exceeding eleven thousand dollars
28 (\$11,000), four and one-tenths percent (4.1%).

29

30 SECTION 3. Arkansas Code § 26-51-205(b), concerning the income tax
31 levied on foreign corporations, is amended to add an additional subdivision
32 to read as follows:

33 (6) For tax years beginning on or after January 1, 2027, every
34 foreign corporation doing business within the jurisdiction of this state
35 shall pay annually an income tax on the proportion of its entire net income
36 as now defined by the income tax laws of this state, on the following basis:

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

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

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

7 (D) On net income exceeding eleven thousand dollars
8 (\$11,000), four and one-tenths percent (4.1%).

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